



State of Utah

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Department of  
Environmental Quality

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DIVISION OF AIR QUALITY  
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DAQ-061-08

**MEMORANDUM**

**TO:** Air Quality Board

**THROUGH:** Cheryl Heying, Executive Secretary

**FROM:** Colleen Delaney, Environmental Scientist

**DATE:** August 6, 2008

**SUBJECT:** FINAL ADOPTION: R307-250. Western Backstop Sulfur Dioxide Trading Program.

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On June 4, 2008, the Air Quality Board proposed for comment amendments to R307-250. Western Backstop Sulfur Dioxide Trading Program. A public hearing was held on July 17, 2008; several attended but none made comments. A public comment period was held July 1-31, 2008. Comments were received by mail, and are summarized below.

**Comment 1 (EPA Region 8)**

R307-250-4(1)(a) describes the applicability of the backstop trading rule. Utah has deleted paragraph (a) which would have included "all BART-eligible sources defined in 40 CFR 51.301 that are BART eligible due to sulfur dioxide emissions." Utah needs to add this section back into the [question, why are we referring to the Utah rule as the "model rule", isn't just the State's rule that needs fixing, not the model rule?] model rule.

**Response:** R307-250-4(1)(a) has been changed as recommended.

**Comment 2 (EPA Region 8)**

Utah's SIP was updated to refer to the allowance tracking system as the "WEB Emissions and Allowance Tracking System (WEB EATS)". Utah should do a word search and correct the trading rule. On a separate but related issue, we noticed that the trading rule refers to two different tracking systems – "allowance tracking system" and "emissions tracking database." In a trading program, there should only be one tracking system, the WEB EATS. It appears the term "emissions tracking database" may be referring to the tracking system during the pre-trigger period. While the SIP may need both terms because it covers pre-trigger and post-trigger periods, that would not be true for the trading rule which only covers post-trigger periods. Therefore, Utah should also replace the term "emissions tracking database" in the trading rule with "WEB EATS."

**Response:** R307-250 has been changed to reference the “WEB EATS” as recommended.

**Comment 3 (EPA Region 8)**

Utah needs to add a date for the submittal of a monitoring plan revision that is referenced in Model Rule provision I2(a)(3). The model rule has a submittal deadline of 90 days after implementing the change. The date should go into R307-250-9(6)(b).

**Response:** R307-250-9(6)(b) has been changed as recommended.

**Comment 4: (Kathy Van Dame, Wasatch Clean Air Coalition)**

SIP XX.E.3.a (1) (a) (i) & (ii) apparently refer to R307-250-4 (1) (a) & (b). In XX the different types of sources are named ‘Category 1’ & ‘Category 2’. In R307-250-4, there is no such simple descriptor. In XX, Category 2 sources are described as “WEB sources that commenced operation on January 1, 2008 or a later date” while in R307-250-4 (1) (b) they are described as “A new source that begins operation after the program trigger date”. If in fact, the two descriptions refer to each other, they should be harmonized. In any case the reference within XX.E.3.a (1) (a) to R307-250 should be to a specific part of R307-250.

**Response:** The two descriptions referred to in the comment are not intended to mean the same thing and do not need to be harmonized. The applicability language in the rule identifies the sources that are subject to the trading program. Applicability is determined based on actual emissions for existing sources and Potential to Emit (PTE) for new sources. The language in the SIP further divides the sources that are subject to the program into Category 1 and Category 2 sources. Category 1 sources will receive their floor allocation from either the utility or non-utility pool of allowances. These sources will also be eligible for a reducible allocation. Category 2 sources will receive their floor allowances from the new source set-aside, and will not be eligible for a reducible allocation. The reference within SIP Section XX.E.3.a(1)(a) has been changed as recommended to refer to R307-250-2 where the term “WEB source” is defined.

**Comment 5: (Kathy Van Dame, Wasatch Clean Air Coalition)**

In SIP XX.E.3.a (1) (c) (i) “early reduction credit”, XX E.3. “early reduction allocation”, and the title of R307-250-7(5) “Early Reduction Bonus Allocation”, these terms apparently all refer to the same item, if so, they should be harmonized. In the case of multiple, interlocking documents, lack of uniformity of terms contributes to misunderstandings & disputes.

**Response:** The SIP and rule text have been modified as recommended to use a consistent terminology “early reduction bonus allocation.”

**Comment 6: (Kathy Van Dame, Wasatch Clean Air Coalition)**

Emission threshold is undefined in R307-205-6 and R307-250-9. Also because there is a procedure spelled out for a source that exceeds by accident, and can prove they have fixed the problem, R307-250-4 (2), the issue of a threshold is muddy and care is needed on this point.

**Response:** R307-250-6 and R307-250-9 have been modified as recommended to clarify that the threshold is 100 tons/year of SO<sub>2</sub> as required by R307-250-4.

**Staff Recommendation:** Staff recommends that R307-250 be adopted with the amendments displayed in the attachment.

**R307. Environmental Quality, Air Quality.****R307-250. Western Backstop Sulfur Dioxide Trading Program.****R307-250-1. Purpose.**

This rule implements the Western Backstop (WEB) Sulfur Dioxide Trading Program provisions in accordance with the federal Regional Haze Rule, 40 CFR 51.309, and Section XX.E of the State Implementation Plan for Regional Haze, titled "Sulfur Dioxide Milestones and Backstop Trading Program," incorporated under R307-110-28.

**R307-250-2. Definitions.**

The following additional definitions apply to R307-250:

"Account Certificate of Representation" or "Certificate" means the completed and signed submission required to designate an Account Representative for a WEB source or an Account Representative for a general account. "Account Representative" means the individual who is authorized through an Account Certificate of Representation to represent owners and operators of the WEB source with regard to matters under the WEB Trading Program or, for a general account, who is authorized through an Account Certificate of Representation to represent the persons having an ownership interest in allowances in the general account with regard to matters concerning the general account.

"Actual Emissions" means total annual sulfur dioxide emissions determined in accordance with R307-250-9 or determined in accordance with the Sulfur Dioxide Milestone Inventory requirements of R307-150 for sources that are not subject to R307-250-9.

"Allocate" means to assign allowances to a WEB source in accordance with SIP Section XX.E.3.a through c.

"Allowance" means the limited authorization under the WEB Trading Program to emit one ton of sulfur dioxide during a specified control period or any control period thereafter subject to the terms and conditions for use of unused allowances as established by R307-250.

"Allowance Limitation" means the tonnage of sulfur dioxide emissions authorized by the allowances available for compliance deduction for a WEB source under R307-250-12 on the allowance transfer deadline for each control period. [

~~\_\_\_\_\_ "Allowance Tracking System" means the system where allowances under the WEB Trading Program are recorded, held, transferred and deducted.~~

~~\_\_\_\_\_ "Allowance Tracking System account" means an account in the allowance tracking system established for purposes of recording, holding, transferring, and deducting allowances.]~~

"Allowance Transfer Deadline" means the deadline established in R307-250-10(2) when allowance transfers must be submitted for recording in a WEB source's compliance account in order to demonstrate compliance for that control period.

"Compliance Account" means an account established in the ~~[allowance tracking system]~~ WEB EATS under R307-250-8(1) for the purpose of recording allowances that a WEB source might hold to demonstrate compliance with its allowance limitation.

1 "Compliance Certification" means a submission to the  
2 executive secretary by the Account Representative as required  
3 under R307-250-12(2) to report a WEB source's compliance or  
4 noncompliance with R307-250.

5 "Control Period" means the period beginning January 1 of each  
6 year and ending on December 31 of the same year, inclusive. [

7 ~~"Emissions Tracking Database" means the central database~~  
8 ~~where sulfur dioxide emissions for WEB sources as recorded and~~  
9 ~~reported in accordance with R307-250 are tracked to determine~~  
10 ~~compliance with allowance limitations.]~~

11 "Existing Source" means a stationary source that commenced  
12 operation before the Program Trigger Date.

13 "General Account" means an account established in the  
14 ~~[allowance tracking system]~~ WEB EATS under R307-250-8 for the  
15 purpose of recording allowances held by a person that are not to  
16 be used to show compliance with an allowance limitation.

17 "Milestone" means the maximum level of stationary source  
18 regional sulfur dioxide emissions for each year from 2003 to 2018,  
19 established according to the procedures in SIP Section XX.E.1.

20 "New WEB Source" means a WEB source that commenced operation  
21 on or after the program trigger date.

22 "New Source Set-aside" means a pool of allowances that are  
23 available for allocation to new sources in accordance with the  
24 provisions of SIP Section XX.E.3.c.

25 "Program trigger date" means the date that the executive  
26 secretary determines that the WEB Trading Program has been  
27 triggered in accordance with the provisions of SIP Section  
28 XX.E.1.c.

29 "Program trigger years" means the years shown in SIP Section  
30 XX.E.1.a, Table 3, column 3 for the applicable milestone if the  
31 WEB Trading Program is triggered as described in SIP Section  
32 XX.E.1.

33 "Retired source" means a WEB source that has received a  
34 retired source exemption as provided in R307-250-4(4).

35 "Serial number" means, when referring to allowances, the  
36 unique identification number assigned to each allowance by the  
37 Tracking Systems Administrator, in accordance with R307-250-7(2).

38 "SIP Section XX.E" means Section XX, Part E of the State  
39 Implementation Plan, titled "Sulfur Dioxide Milestones and  
40 Backstop Trading Program." SIP Section XX, Regional Haze, is  
41 incorporated by reference under R307-110-28.

42 "Special Reserve Compliance Account" means an account  
43 established in the ~~[allowance tracking system]~~ WEB EATS under R307-  
44 250-8(1) for the purpose of recording allowances that a WEB source  
45 might hold to demonstrate compliance with its allowance limitation  
46 for emission units that are monitored for sulfur dioxide in  
47 accordance with R307-250-9(1)(b).

48 "Sulfur Dioxide emitting unit" means any equipment that is  
49 located at a WEB source and that emits sulfur dioxide.

50 "Submit" means sent to the executive secretary or the  
51 Tracking system Administrator under the signature of the Account  
52 Representative. For purposes of determining when something is  
53 submitted, an official U.S. Postal Service postmark, or equivalent

1 electronic time stamp, shall establish the date of submittal.

2 "Ton" means 2000 pounds and any fraction of a ton equaling  
3 1000 pounds or more shall be treated as one ton and any fraction  
4 of a ton equaling less than 1000 pounds shall be treated as zero  
5 tons.

6 "Tracking System Administrator" or "TSA" means the person  
7 designated by the executive secretary as the administrator of the  
8 ~~[allowance tracking system]~~ WEB EATS ~~[and the emission tracking~~  
9 ~~database]~~.

10 "WEB Source" means a stationary source that meets the  
11 applicability requirements of R307-250-4.

12 "WEB Trading Program" means R307-250, the Western Backstop  
13 Trading Program, triggered as a backstop in accordance with the  
14 provisions in SIP Section XX.E, if necessary, to ensure that  
15 regional sulfur dioxide emissions are reduced.

16 "WEB Emissions and Allowance Tracking System (WEB EATS)"  
17 means the central database where sulfur dioxide emissions for WEB  
18 sources as recorded and reported in accordance with R307-250 are  
19 tracked to determine compliance with allowance limitations, and  
20 the system where allowances under the WEB Trading Program are  
21 recorded, held, transferred and deducted.

22 "WEB EATS account" means an account in the WEB EATS  
23 established for purposes of recording, holding, transferring, and  
24 deducting allowances.

25  
26 **R307-250-3. WEB Trading Program Trigger.**

27 (1) Except as provided in (2) below, R307-250 shall apply on  
28 the program trigger date that is established in accordance with  
29 the procedures in SIP Section XX.E.1.c.

30 (2) Special Penalty Provisions for the 2018 Milestone, R307-  
31 250-13, shall apply on January 1, 2018, and shall remain effective  
32 until the requirements of R307-250-13 have been met.

33  
34 **R307-250-4. WEB Trading Program Applicability.**

35 (1) General Applicability. R307-250 applies to any  
36 stationary source or group of stationary sources that are located  
37 on one or more contiguous or adjacent properties and that are  
38 under the control of the same person or persons under common  
39 control, belonging to the same industrial grouping, and that are  
40 described in paragraphs (a) and (b) of this subsection. A  
41 stationary source or group of stationary sources shall be  
42 considered part of a single industrial grouping if all of the  
43 pollutant emitting activities at such source or group of sources  
44 on contiguous or adjacent properties belong to the same Major  
45 Group (i.e., all have the same two-digit code) as described in the  
46 Standard Industrial Classification Manual, 1987.

47 (a) All BART-eligible sources as defined in 40 CFR 51.301  
48 that are BART-eligible due to sulfur dioxide emissions.

49 (b) All stationary sources that have actual sulfur dioxide  
50 emissions of 100 tons or more per year in the program trigger  
51 years or any subsequent year. The fugitive emissions of a  
52 stationary source shall not be considered in determining whether  
53 it is subject to R307-250 unless the source belongs to one of the

following categories of stationary source:

- (i) Coal cleaning plants (with thermal dryers);
- (ii) Kraft pulp mills;
- (iii) Portland cement plants;
- (iv) Primary zinc smelters;
- (v) Iron and steel mills;
- (vi) Primary aluminum ore reduction plants;
- (vii) Primary copper smelters;
- (viii) Municipal incinerators capable of charging more than 250 tons of refuse per day;
- (ix) Hydrofluoric, sulfuric, or nitric acid plants;
- (x) Petroleum refineries;
- (xi) Lime plants;
- (xii) Phosphate rock processing plants;
- (xiii) Coke oven batteries;
- (xiv) Sulfur recovery plants;
- (xv) Carbon black plants (furnace process);
- (xvi) Primary lead smelters;
- (xvii) Fuel conversion plants;
- (xviii) Sintering plants;
- (xix) Secondary metal production plants;
- (xx) Chemical process plants;
- (xxi) Fossil-fuel boilers (or combination thereof) totaling more than 250 million British thermal units per hour heat input;
- (xxii) Petroleum storage and transfer units with a total storage capacity exceeding 300,000 barrels;
- (xxiii) Taconite ore processing plants;
- (xxiv) Glass fiber processing plants;
- (xxv) Charcoal production plants;
- (xxvi) Fossil-fuel-fired steam electric plants of more than 250 million British thermal units per hour heat input; or
- (xxvii) Any other stationary source category, which as of August 7, 1980, is being regulated under Section 111 or 112 of the Clean Air Act.

(b) A new source that begins operation after the program trigger date and has the potential to emit 100 tons or more of sulfur dioxide per year.

(2) The executive secretary may determine on a case-by-case basis, with concurrence from the EPA Administrator, that a stationary source defined in (1)(b) above that has not previously met the applicability requirements of (1) is not subject to R307-250 if the stationary source had actual sulfur dioxide emissions of 100 tons or more in a single year and in each of the previous five years had actual sulfur dioxide emissions of less than 100 tons per year, and:

(a)(i) the emissions increase was due to a temporary emission increase that was caused by a sudden, infrequent failure of air pollution control equipment, or process equipment, or a failure to operate in a normal or usual manner, and

(ii) the stationary source has corrected the failure of air pollution equipment, process equipment, or process by the time of the executive secretary's determination; or

(b) the stationary source had to switch fuels or feedstocks

1 on a temporary basis and as a result of an emergency situation or  
2 unique and unusual circumstances besides the cost of such fuels or  
3 feedstocks.

4 (3) Duration of Applicability. Except as provided for in  
5 (4) below, once a stationary source is subject to R307-250, it  
6 will remain subject to the rule every year thereafter.

7 (4) Retired Source Exemption.

8 (a) Application. Any WEB source that is permanently retired  
9 shall apply for a retired source exemption. The WEB source may be  
10 considered permanently retired only if all sulfur dioxide emitting  
11 units at the source are permanently retired. The application shall  
12 contain the following information:

13 (i) identification of the WEB source, including the plant  
14 name and an appropriate identification code in a format specified  
15 by the executive secretary;

16 (ii) name of account representative;

17 (iii) description of the status of the WEB source, including  
18 the date that the WEB source was permanently retired;

19 (iv) signed certification that the WEB source is permanently  
20 retired and will comply with the requirements of R307-250-4(4);  
21 and

22 (v) verification that the WEB source has a general account  
23 where any unused allowances or future allocations will be  
24 recorded.

25 (b) Notice. The retired source exemption becomes effective  
26 when the executive secretary notifies the WEB source that the  
27 retired source exemption has been granted.

28 (c) Responsibilities of Retired Sources.

29 (i) A retired source shall be exempt from R307-250-9 and  
30 R307-250-12, except as provided below.

31 (ii) A retired source shall not emit any sulfur dioxide  
32 after the date the retired source exemption is issued.

33 (iii) A WEB source shall submit sulfur dioxide emissions  
34 reports, as required by R307-250-9, for any time period the source  
35 was operating prior to the effective date of the retired source  
36 exemption. The retired source shall be subject to the compliance  
37 provisions of R307-250-12, including the requirement to hold  
38 allowances in the source's compliance account to cover all sulfur  
39 dioxide emissions prior to the date the source was permanently  
40 retired.

41 (iv) A retired source that is still in existence but no  
42 longer emitting sulfur dioxide shall, for a period of five years  
43 from the date the records are created, retain records  
44 demonstrating that the source is permanently retired for purposes  
45 of this rule.

46 (d) Resumption of Operations.

47 (i) Before resuming operation, the retired source must  
48 submit registration materials as follows:

49 (A) If the source is required to obtain an approval order  
50 under R307-401 or an operating permit under R307-415 prior to  
51 resuming operation, then registration information as described in  
52 R307-250-6(1) and a copy of the retired source exemption must be  
53 submitted with the notice of intent under R307-401 or the

operating permit application required under R307-415;

(B) If the source does not meet the criteria of (A), then registration information as described in R307-250-6(1) and a copy of the retired source exemption must be submitted to the executive secretary at least ninety days prior to resumption of operation.

(ii) The retired source exemption shall automatically expire on the day the retired source resumes operation.

(e) Loss of Future Allowances. A WEB source that is permanently retired and that does not apply to the executive secretary for a retired source exemption within ninety days of the date that the source is permanently retired shall forfeit any unused and future allowances. The abandoned allowances shall be retired by the TSA.

#### **R307-250-5. Account Representative for WEB Sources.**

(1) Each WEB source must identify one account representative and may also identify an alternate account representative who may act on behalf of the account representative. Any representation, action, inaction or submission by the alternate account representative will be deemed to be a representation, action, inaction or submission by the account representative.

(2) Identification and Certification of an account representative.

(a) The account representative and any alternate account representative shall be appointed by an agreement that makes the representations, actions, inactions or submissions of the account representative and any alternate binding on the owners and operators of the WEB source.

(b) The account representative shall submit to the executive secretary and the TSA a signed and dated certificate that contains the following elements:

(i) identification of the WEB source by plant name and an appropriate identification code in a format specified by the executive secretary;

(ii) the name, address, e-mail (if available), telephone and facsimile number of the account representative and any alternate;

(iii) a list of owners and operators of the WEB source;

(iv) information to be part of the emission tracking system database that is established in accordance with SIP Section XX.E.3.i. The specific data elements shall be as specified by the executive secretary to be consistent with the data system structure, and may include basic facility information that may appear in other reports and notices submitted by the WEB source, such as county location, industrial classification codes, and similar general facility information.

(v) The following certification statement: "I certify that I was selected as the account representative or alternate account representative, as applicable, by an agreement binding on the owners and operators of the WEB source. I certify that I have all the necessary authority to carry out my duties and responsibilities under the WEB Trading Program on behalf of the owners and operators of the WEB source and that the owner and operator each shall be fully bound by my representations, actions,



1 inactions, or submissions and by any decision or order issued to  
2 me by the executive secretary regarding the WEB Trading Program."

3 (c) Upon receipt by the executive secretary of the complete  
4 certificate, the account representative and any alternate account  
5 representative represents and, by his or her representations,  
6 actions, inactions, or submissions, legally binds each owner and  
7 operator of the WEB source in all matters pertaining to the WEB  
8 Trading Program. Each owner and operator shall be bound by any  
9 decision or order issued by the executive secretary regarding the  
10 WEB Trading Program.

11 (d) No ~~[WEB allowance tracking system]~~ WEB EATS account shall  
12 be established for the WEB source until the TSA has received a  
13 complete Certificate. Once the account is established, all  
14 submissions concerning the account, including the deduction or  
15 transfer of allowances, shall be made by the account  
16 representative.

17 (3) Responsibilities.

18 (a) The responsibilities of the account representative  
19 include, but are not limited to, the transferring of allowances  
20 and the submission of monitoring plans, registrations,  
21 certification applications, sulfur dioxide emissions data and  
22 compliance reports as required by R307-250, and representing the  
23 source in all matters pertaining to the WEB Trading Program.

24 (b) Each submission under this program shall be signed and  
25 certified by the account representative for the WEB source. Each  
26 submission shall include the following truth and accuracy  
27 certification statement by the account representative: "I am  
28 authorized to make this submission on behalf of the owners and  
29 operators of the WEB source for which the submission is made. I  
30 certify under penalty of law that I have personally examined, and  
31 am familiar with, the statements and information submitted in this  
32 document and all its attachments. Based on my inquiry of those  
33 individuals with primary responsibility for obtaining the  
34 information, I certify that the statements and information are to  
35 the best of my knowledge and belief true, accurate, and complete.  
36 I am aware that there are significant penalties for submitting  
37 false statements and information or omitting required statements  
38 and information, including the possibility of fine or  
39 imprisonment."

40 (4) Changing the Account Representative or Owners and  
41 Operators.

42 (a) Changing the Account Representative or the alternate  
43 Account Representative. The account representative or alternate  
44 account representative may be changed at any time by sending a  
45 complete superseding certificate to the executive secretary and  
46 the TSA under R307-250-5(2). The change will be effective upon  
47 receipt of such certificate by the TSA. Notwithstanding any such  
48 change, all representations, actions, inactions, and submissions  
49 by the previous account representative or alternate prior to the  
50 time and date when the TSA receives the superseding certificate  
51 shall be binding on the new account representative and the owners  
52 and operators of the WEB source.

53 (b) Changes in Owner and Operator.

1 (i) Within thirty days of any change in the owners and  
2 operators of the WEB source, including the addition of a new owner  
3 or operator, the account representative shall submit a revised  
4 certificate amending the list of owners and operators to include  
5 such change.

6 (ii) In the event a new owner or operator of a WEB source is  
7 not included in the list of owners and operators submitted in the  
8 certificate, such new owner or operator shall be deemed to be  
9 subject to and bound by the certificate, the representations,  
10 actions, inactions, and submissions of the account representative  
11 of the WEB source, and the decisions, orders, actions, and  
12 inactions of the executive secretary as if the new owner or  
13 operator were included in the list.

#### 14 15 **R307-250-6. Registration.**

##### 16 (1) Deadlines.

17 (a) Each source that is a WEB source on or before the  
18 program trigger date shall register by submitting the initial  
19 certificate required in R307-250-5(2) to the executive secretary  
20 no later than 180 days after the program trigger date.

21 (b) Any existing source that becomes a WEB source after the  
22 program trigger date shall register by submitting the initial  
23 certificate required in R307-250-5(2) to the executive secretary  
24 no later than September 30 of the year following the inventory  
25 year in which the source exceeded the 100 tons sulfur dioxide  
26 emission threshold in R307-250-4(b).

27 (c) Any new WEB source shall register by submitting the  
28 initial certificate required in R307-250-5(2) to the executive  
29 secretary prior to commencing operation.

30 (2) Any allocation, transfer or deduction of allowances to  
31 or from the source's compliance account shall not require a  
32 revision of the WEB source's operating permit under R307-415.

#### 33 34 **R307-250-7. Allowance Allocations.**

35 (1) The TSA will record the allowances for each WEB source  
36 in the source's compliance account once the allowances are  
37 allocated by the executive secretary under SIP Section XX.E.3.a  
38 through c. If applicable, the TSA will record a portion of the  
39 sulfur dioxide allowances for a WEB source in a special reserve  
40 compliance account to account for any allowances to be held by the  
41 source that conducts monitoring in accordance with R307-250-  
42 9(1)(b).

43 (2) The TSA will assign a serial number to each allowance in  
44 accordance with SIP Section XX.E.3.f.

45 (3) All allowances shall be allocated, recorded,  
46 transferred, or used as whole allowances. To determine the number  
47 of whole allowances, the number of allowances shall be rounded  
48 down for decimals less than 0.50 and rounded up for decimals of  
49 0.50 or greater.

50 (4) An allowance is not a property right, and is a limited  
51 authorization to emit one ton of sulfur dioxide valid only for the  
52 purpose of meeting the requirements of R307-250. No provision of  
53 the WEB Trading Program or other law should be construed to limit

1 the authority of the executive secretary to terminate or limit  
2 such authorization.

3 (5) Early Reduction Bonus Allocation. Any non-utility WEB  
4 source that installs new control technology and that reduces its  
5 permitted annual sulfur dioxide emissions to a level that is below  
6 the floor level allocation established for that source in SIP  
7 Section XX.E.3.a(1)(b)(i) or any utility that reduces its  
8 permitted annual sulfur dioxide emissions to a level that is below  
9 best available control technology may apply to the executive  
10 secretary for an early reduction bonus allocation. The bonus  
11 allocation shall be available for reductions that occur between  
12 2003 and the program trigger year. The application must be  
13 submitted no later than 90 days after the program trigger date.  
14 Any WEB source that applies and receives early reduction bonus  
15 allocations must retain the records referenced in this section for  
16 a minimum of five years after the early reduction bonus allowance  
17 is certified in accordance with SIP Section XX.E.3.a(1)(c). The  
18 application for an early reduction bonus allocation must contain  
19 the following information:

20 (a) copies of all approval orders, operating permits or  
21 other enforceable documents that include annual sulfur dioxide  
22 emissions limits for the WEB source during the period the WEB  
23 source qualifies for an early reduction credit. Approval orders,  
24 permits, or enforceable documents must contain monitoring  
25 requirements for sulfur dioxide emissions that meet the  
26 specifications in R307-250-9(1)(a).

27 (b) demonstration that the floor level established for the  
28 source in SIP Section XX.E.3.a(1)(b)(i) for non-utilities or best  
29 available control technology for utilities was calculated using  
30 data that are consistent with monitoring methods specified in  
31 R307-250-9(1)(a). If needed, the demonstration shall include a  
32 new floor level calculation that is consistent with the monitoring  
33 methodology in R307-250-9.

34 (6) Request for Allowances for New WEB Sources or Modified  
35 WEB Sources.

36 (a) A new WEB source may apply to the executive secretary  
37 for an allocation from the new source set-aside, as outlined in  
38 SIP Section XX.E.3.c. A new WEB source is eligible for an annual  
39 floor allocation equal to the lower of the permitted annual sulfur  
40 dioxide emission limit for that source, or sulfur dioxide annual  
41 emissions calculated based on a level of control equivalent to  
42 best available control technology (BACT) and assuming 100 percent  
43 utilization of the WEB source, beginning with the first full  
44 calendar year of operation.

45 (b) An existing WEB source that has increased production  
46 capacity through a new approval order issued under R307-401 may  
47 apply to the executive secretary for an allocation from the new  
48 source set-aside, as outlined in SIP Section XX.E.3.c. An  
49 existing WEB source is eligible for an annual allocation equal to:

50 (i) the permitted annual sulfur dioxide emission limit for a  
51 new unit; or

52 (ii) the permitted annual sulfur dioxide emission increase  
53 for the WEB source due to the replacement of an existing unit with

1 a new unit or the modification of an existing unit that increased  
2 production capacity of the WEB source.

3 (c) A source that has received a retired source exemption  
4 under R307-250-4(4) is not eligible for an allocation from the new  
5 source set-aside.

6 (d) The application for an allocation from the new source  
7 set-aside must contain the following:

8 (i) for a new WEB source or a new unit under R307-250-  
9 7(6)(b)(i), documentation of the actual date of the commencement  
10 of operation and a copy of the approval order issued under R307-  
11 401;

12 (ii) for an existing WEB source under R307-250-7(6)(b)(ii),  
13 documentation of the production capacity of the source before and  
14 after the new permit.

15  
16 **R307-250-8. Establishment of Accounts.**

17 (1) ~~[Allowance Tracking System Accounts]~~ WEB EATS. All WEB  
18 sources are required to open a compliance account. Any person may  
19 open a general account for the purpose of holding and transferring  
20 allowances. In addition, if a WEB source conducts monitoring under  
21 R307-250-9(1)(b), the WEB source shall open a special reserve  
22 compliance account for allowances associated with units monitored  
23 under those provisions. To open any type of account, an  
24 application that contains the following information must be  
25 submitted to the TSA:

26 (a) the name, mailing address, e-mail address, telephone  
27 number, and facsimile number of the account representative. For a  
28 compliance account, the application shall include a copy of the  
29 certificate for the account representative and any alternate as  
30 required in R307-250-5(2)(b). For a general account, the  
31 application shall include the certificate for the account  
32 representative and any alternate as required in (3)(b) below.

33 (b) the WEB source or organization name;

34 (c) the type of account to be opened;

35 (d) identification of the specific units that are being  
36 monitored under R307-250-9(1)(b) and that must demonstrate  
37 compliance with the allowance limitation in the special reserve  
38 compliance account; and

39 (e) a signed certification of truth and accuracy by the  
40 account representative according to R307-250-5(3)(b) for  
41 compliance accounts and for general accounts, certification of  
42 truth and accuracy by the account representative according to (4)  
43 below.

44 (2) Account Representative for General Accounts. For a  
45 general account, one account representative must be identified and  
46 an alternate account representative may be identified and may act  
47 on behalf of the account representative. Any representation,  
48 action, inaction or submission by the alternate account  
49 representative will be deemed to be a representation, action,  
50 inaction or submission by the account representative.

51 (3) Identification and Certification of an Account  
52 Representative for General Accounts.

53 (a) The account representative shall be appointed by an

1 agreement that makes the representations, actions, inactions or  
2 submissions of the account representative binding on all persons  
3 who have an ownership interest with respect to allowances held in  
4 the general account.

5 (b) The account representative shall submit to the TSA a  
6 signed and dated certificate that contains the following elements:

7 (i) the name, address, e-mail (if available), telephone and  
8 facsimile number of the account representative and any alternate;

9 (ii) the organization name, if applicable;

10 (iii) the following certification statement: "I certify that  
11 I was selected as the account representative or alternate account  
12 representative, as applicable, by an agreement binding on all  
13 persons who have an ownership interest in allowances in the  
14 general account with regard to matters concerning the general  
15 account. I certify that I have all the necessary authority to  
16 carry out my duties and responsibilities under the WEB Trading  
17 Program on behalf of said persons and that each such person shall  
18 be fully bound by my representations, actions, inactions, or  
19 submissions."

20 (c) Upon receipt by the TSA of the complete certificate, the  
21 account representative represents and, by his or her  
22 representations, actions, inactions, or submissions, legally binds  
23 each person who has an ownership interest in allowances held in  
24 the general account with regard to all matters concerning the  
25 general account. Such persons shall be bound by any decision or  
26 order issued by the executive secretary.

27 (d) A ~~[WEB Allowance Tracking System]~~ WEB EATS general  
28 account shall not be established until the TSA has received a  
29 complete certificate. Once the account is established, the account  
30 representative shall make all submissions concerning the account,  
31 including the deduction or transfer of allowances.

32 (4) Requirements and Responsibilities for General Accounts.  
33 Each submission for the general account shall be signed and  
34 certified by the account representative for the general account.  
35 Each submission shall include the following truth and accuracy  
36 certification statement by the account representative: "I am  
37 authorized to make this submission on behalf of all person who  
38 have an ownership interest in allowances held in the general  
39 account. I certify under penalty of law that I have personally  
40 examined, and am familiar with, the statements and information  
41 submitted in this document and all its attachments. Based on my  
42 inquiry of those individuals with primary responsibility for  
43 obtaining the information, I certify that the statements and  
44 information are to the best of my knowledge and belief true,  
45 accurate, and complete. I am aware that there are significant  
46 penalties for submitting false statements and information or  
47 omitting required statements and information, including the  
48 possibility of fine or imprisonment."

49 (5) Changing the Account Representative for General  
50 Accounts. The account representative or alternate account  
51 representative may be changed at any time by sending a complete  
52 superseding certificate to the executive secretary and the TSA  
53 under (3)(b) above. The change will take effect upon the receipt

1 of the certificate by the TSA. Notwithstanding any such change,  
2 all representations, actions, inactions, and submissions by the  
3 previous account representative or alternate prior to the time and  
4 date when the TSA receives the superseding certificate shall be  
5 binding on the new account representative and all persons having  
6 ownership interest with respect to allowances held in the general  
7 account.

8 (6) Changes to the Account. Any change to the information  
9 required in the application for an existing account under (1)  
10 above shall require a revision of the application.

11  
12 **R307-250-9. Monitoring, Recordkeeping and Reporting.**

13 (1) General Requirements on Monitoring Methods.

14 (a) For each sulfur dioxide emitting unit at a WEB source  
15 the WEB source shall comply with the following, as applicable, to  
16 monitor and record sulfur dioxide mass emissions.

17 (i) If a unit is subject to 40 CFR Part 75 under a  
18 requirement separate from the WEB Trading Program, the unit shall  
19 meet the requirements contained in Part 75 with respect to  
20 monitoring, recording and reporting sulfur dioxide mass emissions.

21 (ii) If a unit is not subject to 40 CFR Part 75 under a  
22 requirement separate from the WEB Trading Program, a unit shall  
23 use one of the following monitoring methods, as applicable:

24 (A) a continuous emission monitoring system (CEMS) for  
25 sulfur dioxide and flow that complies with all applicable  
26 monitoring provisions in 40 CFR Part 75;

27 (B) if the unit is a gas- or oil-fired combustion device,  
28 the excepted monitoring methodology in Appendix D to 40 CFR Part  
29 75, or, if applicable, the low mass emissions (LME) provisions  
30 (with respect to sulfur dioxide mass emissions only) of 40 CFR  
31 75.19;

32 (C) one of the optional WEB protocols, if applicable, in  
33 Appendix B[E] of State Implementation Plan Section XX, Regional  
34 Haze; or

35 (D) a petition for site-specific monitoring that the source  
36 submits for approval by the executive secretary and approval by  
37 the U.S. Environmental Protection Agency in accordance with R307-  
38 250-9(9).

39 (iii) A permanently retired unit shall not be required to  
40 monitor under this section if such unit was permanently retired  
41 and had no emissions for the entire control period and the account  
42 representative certifies in accordance with R307-250-12(2) that  
43 these conditions were met.

44 (b) Notwithstanding (a) above, a WEB source with a unit that  
45 meets one of the conditions of (i) below may submit a request to  
46 the executive secretary to have the provisions of this subsection  
47 (b) apply to that unit.

48 (i) Any of the following units may implement this subsection  
49 (b):

50 (A) any smelting operation where all of the emissions from  
51 the operation are not ducted to a stack; or

52 (B) any flare, except to the extent such flares are used as  
53 a fuel gas combustion device at a petroleum refinery; or

1 (C) any other type of unit without add-on sulfur dioxide  
2 control equipment, if the unit belongs to one of the following  
3 source categories: cement kilns, pulp and paper recovery  
4 furnaces, lime kilns, or glass manufacturing.

5 (ii) For each unit covered by this subsection (b), the  
6 account representative shall submit a notice to request that this  
7 subsection (b) apply to one or more sulfur dioxide emitting units  
8 at a WEB source. The notice shall be submitted in accordance with  
9 the deadlines specified in R307-250-9(6)(a), and shall include the  
10 following information (in a format specified by the executive  
11 secretary with such additional, related information as may be  
12 requested):

13 (A) a list of all units at the WEB source that identifies  
14 the units that are to be covered by this subsection (b);

15 (B) an identification of any such units that are permanently  
16 retired.

17 (iii) For each new unit at an existing WEB source for which  
18 the WEB source seeks to comply with this subsection (b) and for  
19 which the account representative applies for an allocation under  
20 the new source set-aside provisions of R307-250-7(6), the account  
21 representative shall submit a modified notice under (ii) above  
22 that includes such new sulfur dioxide emitting units. The modified  
23 request shall be submitted in accordance with the deadlines in  
24 R307-250-9(6)(a), but no later than the date on which a request is  
25 submitted under R307-250-7(6) for allocations from the set-aside.

26 (iv) The account representative for a WEB source shall  
27 submit an annual emissions statement for each unit under this  
28 subsection (b) pursuant to R307-250-9(8). The WEB source shall  
29 maintain operating records sufficient to estimate annual sulfur  
30 dioxide emissions in a manner consistent with the emission  
31 inventory submitted by the source for calendar year ~~1998~~ 2006. In  
32 addition, if the estimated emissions from all such units at the  
33 WEB source are greater than the allowances for the current control  
34 year held in the special reserve compliance account for the WEB  
35 source, the account representative shall report the extra amount  
36 as part of the annual report for the WEB source under R307-250-12  
37 and shall obtain and transfer allowances into the special reserve  
38 compliance account to account for such emissions.

39 (v) R307-250-9(2) - (10) shall not apply to units covered by  
40 this paragraph except where otherwise noted.

41 (vi) A WEB source may opt to modify the monitoring for a  
42 sulfur dioxide emitting unit to use monitoring under (a) above,  
43 but any such monitoring change must take effect on January 1 of  
44 the next compliance year. In addition, the account representative  
45 must submit an initial monitoring plan at least 180 days prior to  
46 the date on which the new monitoring will take effect and a  
47 detailed monitoring plan in accordance with (2) below. The  
48 account representative shall also submit a revised notice under  
49 R307-250-9(1)(b)(ii) at the same time that the initial monitoring  
50 plan is submitted.

51 (c) For any monitoring method that the WEB source uses under  
52 R307-250-9 including (b) above, the WEB source shall install,  
53 certify, and operate the equipment in accordance with this

1 section, and record and report the data from the method as  
2 required in this section. In addition, the WEB source may not:

3 (i) except for an alternative approved by the EPA  
4 Administrator for a WEB source that implements monitoring under  
5 (a) above, use an alternative monitoring system, alternative  
6 reference method or another alternative for the required  
7 monitoring method without having obtained prior written approval  
8 in accordance with (9) below;

9 (ii) operate a sulfur dioxide emitting unit so as to  
10 discharge, or allow to be discharged, sulfur dioxide emissions to  
11 the atmosphere without accounting for these emissions in  
12 accordance with the applicable provisions of this section;

13 (iii) disrupt the approved monitoring method or any portion  
14 thereof, and thereby avoid monitoring and recording sulfur dioxide  
15 mass emissions discharged into the atmosphere, except for periods  
16 of recertification or periods when calibration, quality assurance  
17 testing or maintenance is performed in accordance with the  
18 applicable provisions of this section; or

19 (iv) retire or permanently discontinue use of an approved  
20 monitoring method, except under one of the following  
21 circumstances:

22 (A) during a period when the unit is exempt from the  
23 requirements of this Section, including retirement of a unit as  
24 addressed in (a)(iii) above;

25 (B) the WEB source is monitoring emissions from the unit  
26 with another certified monitoring method approved under this  
27 Section for use at the unit that provides data for the same  
28 parameter as the retired or discontinued monitoring method; or

29 (C) the account representative submits notification of the  
30 date of certification testing of a replacement monitoring system  
31 in accordance with this Section, and the WEB source recertifies  
32 thereafter a replacement monitoring system in accordance with the  
33 applicable provisions of this Section.

34 (2) Monitoring Plan.

35 (a) General Provisions. A WEB source with a sulfur dioxide  
36 emitting unit that uses a monitoring method under (1)(a)(ii) above  
37 shall meet the following requirements.

38 (i) Prepare and submit to the executive secretary an initial  
39 monitoring plan for each monitoring method that the WEB source  
40 uses to comply with this Section. In accordance with (c) below,  
41 the plan shall contain sufficient information on the units  
42 involved, the applicable method, and the use of data derived from  
43 that method to demonstrate that all unit sulfur dioxide emissions  
44 are monitored and reported. The plan shall be submitted in  
45 accordance with the deadlines specified in (6) below.

46 (ii) Prepare, maintain and submit to the executive secretary  
47 a detailed monitoring plan in accordance with the deadlines  
48 specified in (6) below. The plan will contain the applicable  
49 information required by (d) below. The executive secretary may  
50 require that the monitoring plan or portions of it be submitted  
51 electronically. The executive secretary may also require that the  
52 plan be submitted on an ongoing basis in electronic format as part  
53 of the quarterly report submitted under (8)(a) below or



1 resubmitted separately within 30 days after any change is made to  
2 the plan in accordance with (iii) below.

3 (iii) Whenever a WEB source makes a replacement,  
4 modification, or change in one of the systems or methodologies  
5 provided for in (1)(a)(ii) above, including a change in the  
6 automated data acquisition and handling system or in the flue gas  
7 handling system, that affects information reported in the  
8 monitoring plan, such as a change to serial number for a component  
9 of a monitoring system, then the WEB source shall update the  
10 monitoring plan.

11 (b) A WEB source with a sulfur dioxide emitting unit that  
12 uses a method under (1)(a)(i) above shall meet the requirements of  
13 ~~[(a)---(f)]~~this subsection (2) by preparing, maintaining and  
14 submitting a monitoring plan in accordance with the requirements  
15 of 40 CFR Part 75. If requested, the WEB source also shall submit  
16 the entire monitoring plan to the executive secretary.

17 (c) Initial Monitoring Plan. The account representative  
18 shall submit an initial monitoring plan for each sulfur dioxide  
19 emitting unit or group of units sharing a common methodology that,  
20 except as otherwise specified in an applicable provision in  
21 Appendix B[E] of State Implementation Plan Section XX, contains  
22 the following information:

23 (i) For all sulfur dioxide emitting units:

24 (A) plant name and location;

25 (B) plant and unit identification numbers assigned by the  
26 executive secretary;

27 (C) type of unit, or units for a group of units using a  
28 common monitoring methodology;

29 (D) identification of all stacks or pipes associated with  
30 the monitoring plan;

31 (E) types of fuels fired or sulfur containing process  
32 materials used in the sulfur dioxide emitting unit, and the fuel  
33 classification of the unit if combusting more than one type of  
34 fuel and using a 40 CFR Part 75 methodology;

35 (F) types of emissions controls for sulfur dioxide installed  
36 or to be installed, including specifications of whether such  
37 controls are pre-combustion, post-combustion, or integral to the  
38 combustion process;

39 (G) maximum hourly heat input capacity, or process  
40 throughput capacity, if applicable;

41 (H) identification of all units using a common stack; and

42 (I) indicator of whether any stack identified in the plan is  
43 a bypass stack.

44 (ii) For each unit and parameter required to be monitored,  
45 identification of monitoring methodology information, consisting  
46 of monitoring methodology, monitor locations, substitute data  
47 approach for the methodology, and general identification of  
48 quality assurance procedures. If the proposed methodology is a  
49 specific methodology submitted pursuant to (1)(a)(ii)(D) above,  
50 the description under this paragraph shall describe fully all  
51 aspects of the monitoring equipment, installation locations,  
52 operating characteristics, certification testing, ongoing quality  
53 assurance and maintenance procedures, and substitute data

1 procedures.

2 (iii) If a WEB source intends to petition for a change to  
3 any specific monitoring requirement otherwise required under this  
4 Section, such petition may be submitted as part of the initial  
5 monitoring plan.

6 (iv) The executive secretary may issue a notice of approval  
7 or disapproval of the initial monitoring plan based on the  
8 compliance of the proposed methodology with the requirements for  
9 monitoring in this Section.

10 (d) Detailed Monitoring Plan. The account representative  
11 shall submit a detailed monitoring plan that, except as otherwise  
12 specified in an applicable provision in Appendix C of State  
13 Implementation Plan Section XX, the Regional Haze SIP, shall  
14 contain the following information:

15 (i) Identification and description of each monitoring  
16 component (including each monitor and its identifiable components,  
17 such as analyzer or probe) in a continuous emissions monitoring  
18 system (e.g., sulfur dioxide pollutant concentration monitor, flow  
19 monitor, moisture monitor), a 40 CFR Part 75, Appendix D  
20 monitoring system (e.g., fuel flowmeter, data acquisition and  
21 handling system), or a protocol in Appendix B of SIP Section XX,  
22 including:

23 (A) manufacturer, model number and serial number;

24 (B) component and system identification code assigned by the  
25 facility to each identifiable monitoring component, such as the  
26 analyzer and/or probe;

27 (C) designation of the component type and method of sample  
28 acquisition or operation such as in situ pollutant concentration  
29 monitor or thermal flow monitor;

30 (D) designation of the system as a primary or backup system;

31 (E) first and last dates the system reported data;

32 (F) status of the monitoring component; and

33 (G) parameter monitored.

34 (ii) Identification and description of all major hardware  
35 and software components of the automated data acquisition and  
36 handling system, including:

37 (A) hardware components that perform emission calculations  
38 or store data for quarterly reporting purposes, including the  
39 manufacturer and model number; and

40 (B) identification of the provider and model or version  
41 number of the software components.

42 (iii) Explicit formulas for each measured emissions  
43 parameter, using component or system identification codes for the  
44 monitoring system used to measure the parameter that links the  
45 system observations with the reported concentrations and mass  
46 emissions. The formulas must contain all constants and factors  
47 required to derive mass emissions from component or system code  
48 observations and an indication of whether the formula is being  
49 added, corrected, deleted, or is unchanged. The WEB source with a  
50 low mass emissions unit for which the WEB source is using the  
51 optional low mass emissions excepted methodology in 40 CFR Part  
52 75.19(c) is not required to report such formulas.

53 (iv) For units with flow monitors only, the inside cross-

1 sectional area in square feet at the flow monitoring location.

2 (v) If using CEMS for sulfur dioxide and flow, for each  
3 parameter monitored, include the scale, maximum potential  
4 concentration and method of calculation, maximum expected  
5 concentration, if applicable, and method of calculation, maximum  
6 potential flow rate and method of calculations, span value, full-  
7 scale range, daily calibration units of measure, span effective  
8 date and hour, span inactivation date and hour, indication of  
9 whether dual spans are required, default high range value, flow  
10 rate span, and flow rate span value and full scale value in  
11 standard cubic feet per hour for each unit or stack using sulfur  
12 dioxide or flow component monitors.

13 (vi) If the monitoring system or excepted methodology  
14 provides for use of a constant, assumed, or default value for a  
15 parameter under specific circumstances, then include the following  
16 information for each value of such parameter:

- 17 (A) identification of the parameter;  
18 (B) default, maximum, minimum, or constant value, and units  
19 of measure for the value;  
20 (C) purpose of the value;  
21 (D) indicator of use during controlled and uncontrolled  
22 hours;  
23 (E) types of fuel;  
24 (F) source of the value;  
25 (G) value effective date and hour;  
26 (H) date and hour value is no longer effective, if  
27 applicable; and

28 (I) for units using the excepted methodology under 40 CFR  
29 75.19, the applicable sulfur dioxide emission factor.

30 (vii) Unless otherwise specified in subsection 6.5.2.1 of  
31 Appendix A to 40 CFR Part 75, for each unit or common stack on  
32 which continuous emissions monitoring system hardware are  
33 installed:

34 (A) the upper and lower boundaries of the range of operation  
35 as defined in subsection 6.5.2.1 of Appendix A to 40 CFR Part 75,  
36 or thousands of pounds per hour (lb/hr) of steam, or feet per  
37 second (ft/sec), as applicable;

38 (B) the load or operating level(s) designated as normal in  
39 subsection 6.5.2.1 of Appendix A to 40 CFR Part 75, or thousands  
40 of lb/hr of steam, or ft/sec, as applicable;

41 (C) the two load or operating levels (i.e., low, mid, or  
42 high) identified in subsection 6.5.2.1 of Appendix A to 40 CFR  
43 Part 75 as the most frequently used;

44 (D) the date of the data analysis used to determine the  
45 normal load (or operating) level(s) and the two most frequently-  
46 used load or operating levels; and

47 (E) activation and deactivation dates when the normal load  
48 or operating levels change and are updated.

49 (viii) For each unit that is complying with 40 CFR Part 75  
50 for which the optional fuel flow-to-load test in subsection 2.1.7  
51 of Appendix D to 40 CFR Part 75 is used:

52 (A) the upper and lower boundaries of the range of operation  
53 as defined in subsection 6.5.2.1 of Appendix A to 40 CFR Part 75,

1 expressed in thousands of lb/hr of steam;

2 (B) the load level designated as normal, pursuant to  
3 subsection 6.5.2.1 of Appendix A to 40 CFR Part 75, expressed in  
4 thousands of lb/hr of steam; and

5 (C) the date of the load analysis used to determine the  
6 normal load level.

7 (ix) Information related to quality assurance testing,  
8 including, as applicable: identification of the test strategy;  
9 protocol for the relative accuracy test audit; other relevant test  
10 information; calibration gas levels expressed as percent of span  
11 for the calibration error test and linearity check; and  
12 calculations for determining maximum potential concentration,  
13 maximum expected concentration if applicable, maximum potential  
14 flow rate, and span.

15 (x) If applicable, apportionment strategies under sections  
16 75.10 through 75.18 of 40 CFR Part 75.

17 (xi) Description of site locations for each monitoring  
18 component in a monitoring system, including schematic diagrams and  
19 engineering drawings and any other documentation that demonstrates  
20 each monitor location meets the appropriate siting criteria. For  
21 units monitored by a continuous emission monitoring system,  
22 diagrams shall include:

23 (A) a schematic diagram identifying entire gas handling  
24 system from unit to stack for all units, using identification  
25 numbers for units, monitor components, and stacks corresponding to  
26 the identification numbers provided in the initial monitoring plan  
27 and (i) and (iii) above. The schematic diagram must depict the  
28 height of any monitor locations. Comprehensive and/or separate  
29 schematic diagrams shall be used to describe groups of units using  
30 a common stack; and

31 (B) stack and duct engineering diagrams showing the  
32 dimensions and locations of fans, turning vanes, air preheaters,  
33 monitor components, probes, reference method sampling ports, and  
34 other equipment that affects the monitoring system location,  
35 performance, or quality control checks.

36 (xii) A data flow diagram denoting the complete information  
37 handling path from output signals of CEMS components to final  
38 reports.

39 (e) In addition to supplying the information in (c) and (d)  
40 above, the WEB source with a sulfur dioxide emitting unit using  
41 either of the methodologies in (1)(a)(ii)(B) above shall include  
42 the following information in its monitoring plan for the specific  
43 situations described:

44 (i) For each gas-fired or oil-fired sulfur dioxide emitting  
45 unit for which the WEB source uses the optional protocol in  
46 Appendix D to 40 CFR Part 75 for sulfur dioxide mass emissions,  
47 the Account Representative shall include the following information  
48 in the monitoring plan:

49 (A) parameter monitored;

50 (B) type of fuel measured, maximum fuel flow rate, units of  
51 measure, and basis of maximum fuel flow rate expressed as the  
52 upper range value or unit maximum for each fuel flowmeter;

53 (C) test method used to check the accuracy of each fuel

1 flowmeter;

2 (D) submission status of the data;

3 (E) monitoring system identification code;

4 (F) the method used to demonstrate that the unit qualifies  
5 for monthly gross calorific value (GCV) sampling or for daily or  
6 annual fuel sampling for sulfur content, as applicable;

7 (G) a schematic diagram identifying the relationship between  
8 the unit, all fuel supply lines, the fuel flowmeters, and the  
9 stacks. The schematic diagram must depict the installation  
10 location of each fuel flowmeter and the fuel sampling locations.  
11 Comprehensive or separate schematic diagrams shall be used to  
12 describe groups of units using a common pipe;

13 (H) for units using the optional default sulfur dioxide  
14 emission rate for "pipeline natural gas" or "natural gas" in  
15 appendix D to 40 CFR Part 75, the information on the sulfur  
16 content of the gaseous fuel used to demonstrate compliance with  
17 either subsection 2.3.1.4 or 2.3.2.4 of Appendix D to 40 CFR Part  
18 75;

19 (I) for units using the 720 hour test under subsection 2.3.6  
20 of Appendix D to 40 CFR Part 75 to determine the required sulfur  
21 sampling requirements, report the procedures and results of the  
22 test; and

23 (J) for units using the 720 hour test under subsection 2.3.5  
24 of Appendix D to 40 CFR Part 75 to determine the appropriate fuel  
25 GCV sampling frequency, report the procedures used and the results  
26 of the test.

27 (ii) For each sulfur dioxide emitting unit for which the WEB  
28 source uses the low mass emission excepted methodology of 40 CFR  
29 75.19, the WEB source shall include the information in (A) through  
30 (F) in the monitoring plan that accompanies the initial  
31 certification application.

32 (A) The results of the analysis performed to qualify as a  
33 low mass emissions unit under 40 CFR 75.19(c). This report will  
34 include either the previous three years' actual or projected  
35 emissions. The report will include the current calendar year of  
36 application; the type of qualification; years one, two, and three;  
37 annual measured, estimated or projected sulfur dioxide mass  
38 emissions for years one, two, and three; and annual operating  
39 hours for years one, two, and three.

40 (B) A schematic diagram identifying the relationship between  
41 the unit, all fuel supply lines and tanks, any fuel flowmeters,  
42 and the stacks. Comprehensive or separate schematic diagrams  
43 shall be used to describe groups of units using a common pipe.

44 (C) For units which use the long term fuel flow methodology  
45 under 40 CFR 75.19(c)(3), a diagram of the fuel flow to each unit  
46 or group of units and a detailed description of the procedures  
47 used to determine the long term fuel flow for a unit or group of  
48 units for each fuel combusted by the unit or group of units.

49 (D) A statement that the unit burns only gaseous fuels or  
50 fuel oil and a list of the fuels that are burned or a statement  
51 that the unit is projected to burn only gaseous fuels or fuel oil  
52 and a list of the fuels that are projected to be burned.

53 (E) A statement that the unit meets the applicability

1 requirements in 40 CFR 75.19(a) and (b) with respect to sulfur  
2 dioxide emissions.

3 (F) Any unit historical actual, estimated and projected  
4 sulfur dioxide emissions data and calculated sulfur dioxide  
5 emissions data demonstrating that the unit qualifies as a low mass  
6 emissions unit under 40 CFR 75.19(a) and (b).

7 (iii) For each gas-fired unit, the account representative  
8 shall include the following in the monitoring plan: current  
9 calendar year, fuel usage data as specified in the definition of  
10 gas-fired in 40 CFR 72.2, and an indication of whether the data  
11 are actual or projected data.

12 (f) The specific elements of a monitoring plan under this  
13 section shall not be part of a WEB source's operating permit  
14 issued under R307-415, and modifications to the elements of the  
15 plan shall not require a permit modification.

16 (3) Certification and Recertification.

17 (a) All monitoring systems are subject to initial  
18 certification and recertification testing as specified in 40 CFR  
19 Part 75 or Appendix B[E] of State Implementation Plan Section XX,  
20 as applicable. Certification or recertification of a monitoring  
21 system by the U.S. EPA for a WEB source that is subject to 40 CFR  
22 Part 75 under a requirement separate from this Rule shall  
23 constitute certification under the WEB Trading Program.

24 (b) The WEB source with a sulfur dioxide emitting unit not  
25 otherwise subject to 40 CFR Part 75 that monitors sulfur dioxide  
26 mass emissions in accordance with 40 CFR Part 75 to satisfy the  
27 requirements of this section shall perform all of the tests  
28 required by that regulation and shall submit the following to the  
29 executive secretary:

30 (i) a test notice, not later than 21 days before the  
31 certification testing of the monitoring system, provided that the  
32 executive secretary may establish additional requirements for  
33 adjusting test dates after this notice as part of the approval of  
34 the initial monitoring plan under (2)(c) above; and

35 (ii) an initial certification application within 45 days  
36 after testing is complete.

37 (c) A monitoring system will be considered provisionally  
38 certified while the application is pending.

39 (d) Upon receipt of a disapproval of the certification of a  
40 monitoring system or component, the certification is revoked. The  
41 data measured and recorded shall not be considered valid quality-  
42 assured data from the date of issuance of the notification of  
43 revocation until the WEB source completes a subsequently-approved  
44 certification or re-certification test in accordance with the  
45 procedures in this rule. The WEB source shall apply the  
46 substitute data procedures in this rule to replace all of the  
47 invalid data for each disapproved system or component.

48 (4) Ongoing Quality Assurance and Quality Control. The WEB  
49 source shall satisfy the applicable quality assurance and quality  
50 control requirements of 40 CFR Part 75 or, if the WEB source is  
51 subject to a WEB protocol in Appendix B[E] of State Implementation  
52 Plan Section XX, the applicable quality assurance and quality  
53 control requirements in Appendix B[E] of State Implementation Plan

1 Section XX on and after the date that certification testing  
2 commences.

3 (5) Substitute Data Procedures.

4 (a) For any period after certification testing is complete  
5 in which quality assured, valid data are not being recorded by a  
6 monitoring system certified and operating in accordance with R307-  
7 250, missing or invalid data shall be replaced with substitute  
8 data in accordance with 40 CFR Part 75 or, if the WEB source is  
9 subject to a WEB protocol in Appendix B[E] of State Implementation  
10 Plan Section XX, with substitute data in accordance with that  
11 Appendix.

12 (b) For a sulfur dioxide emitting unit that does not have a  
13 certified or provisionally certified monitoring system in place as  
14 of the beginning of the first control period for which the unit is  
15 subject to the WEB Trading Program, the WEB source shall use one  
16 of the following procedures.

17 (i) If the WEB source will use a continuous emissions  
18 monitoring system to comply with this Section, substitute the  
19 maximum potential concentration of sulfur dioxide for the unit and  
20 the maximum potential flow rate, as determined in accordance with  
21 40 CFR Part 75. The procedures for conditional data validation  
22 under section 75.20(b)(3) may be used for any monitoring system  
23 under this Rule that uses these 40 CFR Part 75 procedures, as  
24 applicable.

25 (ii) If the WEB source will use the 40 CFR Part 75 Appendix  
26 D methodology, substitute the maximum potential sulfur content,  
27 density or gross calorific value for the fuel and the maximum  
28 potential fuel flow rate, in accordance with section 2.4 of  
29 Appendix D to 40 CFR Part 75.

30 (iii) If the WEB source will use the 40 CFR Part 75  
31 methodology for low mass emissions units, substitute the sulfur  
32 dioxide emission factor required for the unit as specified in 40  
33 CFR 75.19 and the maximum rated hourly heat input, as defined in  
34 40 CFR 72.2.

35 (iv) If using a protocol in Appendix B[E] of State  
36 Implementation Plan Section XX, follow the procedures in the  
37 applicable protocol.

38 (6) Deadlines.

39 (a) The initial monitoring plan required under R307-250-  
40 9(2)(a)(i) shall be submitted by the following dates:

41 (i) for each source that is a WEB source on or before the  
42 program trigger date, the monitoring plan shall be submitted 180  
43 days after such program trigger date.

44 (ii) for any existing source that becomes a WEB source after  
45 the program trigger date, the monitoring plan shall be submitted  
46 by September 30 of the year following the inventory year in which  
47 the source exceeded the 100 tons per year sulfur dioxide emissions  
48 threshold in R307-250-4(b).

49 (iii) for any new WEB source, the monitoring plan shall be  
50 included with the notice of intent required by R307-401.

51 (b) The detailed monitoring plan required under R307-250-  
52 9(2)(a)(ii) shall be submitted no later than 45 days prior to  
53 commencing certification testing in accordance with (c) below.

1 Modifications to the monitoring plan shall be submitted within 90  
2 days of implementing revised monitoring plans.

3 (c) Emission monitoring systems shall be installed,  
4 operational and shall have met all of the certification testing  
5 requirements of R307-250-9(3), including any referenced in  
6 Appendix B[E] of State Implementation Plan Section XX, by the  
7 following dates:

8 (i) for each source that is a WEB source on or before the  
9 program trigger date, two years prior to the start of the first  
10 control period as described in R307-250-12.

11 (ii) for any existing source that becomes a WEB source after  
12 the program trigger date, one year after the due date for the  
13 monitoring plan under (6)(a)(ii) above.

14 (iii) for any new WEB source or any new unit at a WEB  
15 source, the earlier of 90 unit operating days or 180 calendar days  
16 after the date the new source commences operation.

17 (d) The WEB source shall submit test notices and  
18 certification applications in accordance with the deadlines set  
19 forth in R307-250-9(3)(b).

20 (e) For each control period, the WEB source shall submit  
21 each quarterly report no later than 30 days after the end of each  
22 calendar quarter, and shall submit each annual report no later  
23 than 60 days after the end of each calendar year.

24 (7) Recordkeeping.

25 (a) The WEB source shall keep copies of all reports,  
26 registration materials, compliance certifications, sulfur dioxide  
27 emissions data, quality assurance data, and other submissions  
28 under this Rule for a period of five years. In addition, the WEB  
29 source shall keep a copy of all certificates for the duration of  
30 the WEB Trading Program. Unless otherwise requested by the WEB  
31 source and approved by the executive secretary, the copies shall  
32 be kept on site.

33 (b) The WEB source shall keep records of all operating  
34 hours, quality assurance activities, fuel sampling measurements,  
35 hourly averages for sulfur dioxide, stack flow, fuel flow, or  
36 other continuous measurements, as applicable, and any other  
37 applicable data elements specified in this section or in Appendix  
38 B[E] of State Implementation Plan Section XX. The WEB source shall  
39 maintain the applicable records specified in 40 CFR Part 75 for  
40 any sulfur dioxide emitting unit that uses a Part 75 monitoring  
41 method to meet the requirements of this Section.

42 (8) Reporting.

43 (a) Quarterly Reports. For each sulfur dioxide emitting  
44 unit, the account representative shall submit a quarterly report  
45 within thirty days after the end of each calendar quarter. The  
46 report shall be in a format specified by the executive secretary,  
47 including hourly and quality assurance activity information, and  
48 shall be submitted in a manner compatible with the ~~[emissions~~  
49 ~~tracking database designed for the WEB Trading Program]~~ WEB EATS.  
50 If the WEB source submits a quarterly report under 40 CFR Part 75  
51 to the U.S. EPA Administrator, no additional report under this  
52 paragraph (a) shall be required. The executive secretary may  
53 require that a copy of that report or a separate statement of



1 quarterly and cumulative annual sulfur dioxide mass emissions be  
2 submitted separately.

3 (b) Annual Report. Based on the quarterly reports, each WEB  
4 source shall submit an annual statement of total annual sulfur  
5 dioxide emissions for all sulfur dioxide emitting units at the  
6 source. The annual report shall identify total emissions for all  
7 units monitored in accordance with (1)(a) above and the total  
8 emissions for all units with emissions estimated in accordance  
9 with (1)(b) above. The annual report shall be submitted within 60  
10 days after the end of a control period.

11 (c) If directed by the executive secretary, monitoring  
12 plans, reports, certifications or recertifications, or emissions  
13 data required to be submitted under this section also shall be  
14 submitted to the TSA.

15 (d) If the executive secretary rejects any report submitted  
16 under this subsection that contains errors or fails to satisfy the  
17 requirements of this section, the account representative shall  
18 resubmit the report to correct any deficiencies.

19 (9) Petitions. A WEB source may petition for an alternative  
20 to any requirement specified in (1)(a)(ii) above. The petition  
21 shall require approval of the executive secretary and the  
22 Administrator. Any petition submitted under this paragraph shall  
23 include sufficient information for the evaluation of the petition,  
24 including, at a minimum, the following information:

25 (a) identification of the WEB source and applicable sulfur  
26 dioxide emitting unit(s);

27 (b) a detailed explanation of why the proposed alternative  
28 is being suggested in lieu of the requirement;

29 (c) a description and diagram of any equipment and  
30 procedures used in the proposed alternative, if applicable; and

31 (d) a demonstration that the proposed alternative is  
32 consistent with the purposes of the requirement for which the  
33 alternative is proposed, is consistent with the purposes of R307-  
34 250, and that any adverse effect of approving such alternative  
35 will be de minimis; and

36 (e) any other relevant information that the executive  
37 secretary may require.

38 (10) For any monitoring plans, reports, or other information  
39 submitted under this Rule, the account representative shall ensure  
40 that, where applicable, identifying information is consistent with  
41 the identifying information provided in the most recent  
42 certificate for the WEB source submitted under R307-250-5.  
43

#### 44 **R307-250-10. Allowance Transfers.**

45 (1) Procedure. To transfer allowances, the account  
46 representative shall submit the following information to the TSA:

47 (a) the number or numbers identifying the transferor  
48 account;

49 (b) the number or numbers identifying the transferee  
50 account;

51 (c) the serial number of each allowance to be transferred;  
52 and

53 (d) the transferor's account representative's name,

signature, and the date of submission.

(2) Allowance Transfer Deadline. The allowance transfer deadline is midnight Pacific Standard Time on March 1 of each year, or, if this date is not a business day, midnight of the first business day thereafter, following the end of the control period. By this time, the transfer of the allowances into the WEB source's compliance account must be correctly submitted to the TSA in order to demonstrate compliance under R307-250-12 for that control period.

(3) Retirement of Allowances. To permanently retire allowances, the transferor's account representative shall submit the following information to the TSA:

(a) the transfer account number identifying the transferor account;

(b) the serial number of each allowance to be retired; and

(c) the transferor's account representative's name, signature, and the date of submission accompanied by a signed statement acknowledging that each retired allowance is no longer available for future transfers from or to any account.

(4) Special Reserve Compliance Accounts. Allowances shall not be transferred out of special reserve compliance accounts. Allowances may be transferred into special reserve compliance accounts in accordance with the procedures in paragraph (1) above.

#### **R307-250-11. Use of Allowances from a Previous Year.**

(1) Any allowance that is held in a compliance account or general account will remain in the account until the allowance is either deducted in conjunction with the compliance process, or transferred to another account.

(2) In order to demonstrate compliance under R307-250-12(1) for a control period, WEB sources shall only use allowances allocated for that control period or any previous year.

(3) If flow control procedures for the current control period have been triggered as outlined in SIP Section XX.E.3.h(2), then the use of allowances that were allocated for any previous year will be limited in the following ways.

(a) The number of allowances that are held in each compliance account and general account as of the allowance transfer deadline for the immediately previous year and that were allocated for any previous year will be determined.

(b) The number determined in (a) above will be multiplied by the flow control ratio established in accordance with SIP Section XX.E.3.h to determine the number of allowances that were allocated for a previous year that can be used without restriction for the current control period.

(c) Allowances that were allocated for a previous year in excess of the number determined in (b) above may also be used for the current control period. If such allowances are used to make a deduction, two allowances must be deducted for each deduction of one allowance required under R307-250-12.

(4) Special provisions for the year 2018. After compliance with the 2017 allowance limitation has been determined in accordance with R307-250-12(1), allowances allocated for any year

1 prior to 2018 shall not be used for determining compliance with  
2 the 2018 allowance limitation or any future allowance limitation.

3 (5) Special Reserve Compliance Accounts. Unused allowances  
4 in any special reserve compliance account will be retired after  
5 the compliance deductions under R307-250-12 have been completed  
6 for each control period, and shall not be available for use in any  
7 future control period.

8  
9 **R307-250-12. Compliance.**

10 (1) Compliance with Allowance Limitations.

11 (a) The WEB source must hold allowances, in accordance with  
12 (b) and (c) below and R307-250-11, as of the allowance transfer  
13 deadline in the WEB source's compliance account, together with any  
14 current control year allowances held in the WEB source's special  
15 reserve compliance account under R307-250-9(1)(b), in an amount  
16 not less than the total sulfur dioxide emissions for the control  
17 period from the WEB source, as determined under the monitoring and  
18 reporting requirements of R307-250-9.

19 (i) For each source that is a WEB source on or before the  
20 program trigger date, the first control period is the calendar  
21 year that is six years following the calendar year for which  
22 sulfur dioxide emissions exceeded the milestone as determined in  
23 accordance with SIP Section XX.E.1.

24 (ii) For any existing source that becomes a WEB source after  
25 the program trigger date, the first control period is the calendar  
26 year that is four years following the inventory year in which the  
27 source became a WEB source.

28 (iii) For any new WEB source after the program trigger date,  
29 the first control period is the first full calendar year that the  
30 source is in operation.

31 (iv) If the WEB Trading Program is triggered in accordance  
32 with the 2013 review procedures in SIP Section XX.E.1.d, the first  
33 control period for each source that is a WEB source on or before  
34 the program trigger date is the year 2018.

35 (b) Allowance transfer deadline. An allowance may only be  
36 deducted from the WEB source's compliance account if:

37 (i) the allowance was allocated for the current control  
38 period or meets the requirements in R307-250-11 for use of  
39 allowances from a previous control period, and

40 (ii) the allowance was held in the WEB source's compliance  
41 account as of the allowance transfer deadline for the current  
42 control period, or was transferred into the compliance account by  
43 an allowance transfer correctly submitted for recording by the  
44 allowance transfer deadline for the current control period.

45 (c) Compliance with allowance limitations shall be determined  
46 as follows.

47 (i) The total annual sulfur dioxide emissions for all sulfur  
48 dioxide emitting units at the source that are monitored under  
49 R307-250-9(1)(b), as reported by the source to the executive  
50 secretary, in accordance with R307-250-9, and recorded in the  
51 ~~[emissions tracking database]~~ WEB EATS shall be compared to the  
52 allowances held in the source's special reserve compliance account  
53 as of the allowance transfer deadline for the current control

1 period, adjusted in accordance with R307-250-11. If the emissions  
2 are equal to or less than the allowances in such account, all such  
3 allowances shall be retired to satisfy the obligation to hold  
4 allowances for such emissions. If the total emissions from such  
5 units exceed the allowances in such special reserve compliance  
6 account, the WEB source shall account for such excess emissions in  
7 the following paragraph (ii).

8 (ii) The total annual sulfur dioxide emissions for all  
9 sulfur dioxide emitting units at the source that are monitored  
10 under R307-250-9(1)(a), as reported by the source to the executive  
11 secretary in accordance with R307-250-9 and recorded in the  
12 ~~[emissions tracking database]~~ WEB EATS, together with any excess  
13 emissions as calculated in the preceding paragraph (i), shall be  
14 compared to the allowances held in the source's compliance account  
15 as of the allowance transfer deadline for the current control  
16 period, adjusted in accordance with R307-250-11.

17 (iii) If the comparison in paragraph (ii) above results in  
18 emissions that exceed the allowances held in the source's  
19 compliance account, the source has exceeded its allowance  
20 limitation and the excess emissions are subject to the allowance  
21 deduction penalty in R307-250-12(3)(a).

22 (d) Other than allowances in a special reserve compliance  
23 account for units monitored under R307-250-9(1)(b), to the extent  
24 consistent with R307-250-11, allowances shall be deducted for a  
25 WEB source for compliance with the allowance limitation as  
26 directed by the WEB source's account representative. Deduction of  
27 any other allowances as necessary for compliance with the  
28 allowance limitation shall be on a first-in, first-out accounting  
29 basis in the order of the date and time of their recording in the  
30 WEB source's compliance account, beginning with the allowances  
31 allocated to the WEB source and continuing with the allowances  
32 transferred to the WEB source's compliance account from another  
33 compliance account or general account. The allowances held in a  
34 special reserve compliance account pursuant to R307-250-9(1)(b)  
35 shall be deducted as specified in paragraph (c)(i) above.

36 (2) Certification of Compliance.

37 (a) For each control period in which a WEB source is subject  
38 to the allowance limitation, the account representative of the  
39 source shall submit to the executive secretary a compliance  
40 certification report for the source.

41 (b) The compliance certification report shall be submitted  
42 no later than the allowance transfer deadline of each control  
43 period, and shall contain the following:

44 (i) identification of each WEB source;

45 (ii) at the account representative's option, the serial  
46 numbers of the allowances that are to be deducted from a source's  
47 compliance account or special reserve compliance account for  
48 compliance with the allowance limitation; and

49 (iii) the compliance certification report according to (c)  
50 below.

51 (c) In the compliance certification report, the account  
52 representative shall certify, based on reasonable inquiry of those  
53 persons with primary responsibility for operating the WEB source

1 in compliance with the WEB Trading Program, whether the WEB source  
2 for which the compliance certification is submitted was operated  
3 in compliance with the requirements of the WEB Trading Program  
4 applicable to the source during the control period covered by the  
5 report, including:

6 (i) whether the WEB source operated in compliance with the  
7 sulfur dioxide allowance limitation;

8 (ii) whether sulfur dioxide emissions data was submitted to  
9 the executive secretary in accordance with R307-250-9(8) and other  
10 applicable requirements for review, revision as necessary, and  
11 finalization;

12 (iii) whether the monitoring plan for the WEB source has  
13 been maintained to reflect the actual operation and monitoring of  
14 the source, and contains all information necessary to attribute  
15 sulfur dioxide emissions to the source, in accordance with R307-  
16 250-9(2);

17 (iv) whether all the sulfur dioxide emissions from the WEB  
18 source if applicable, were monitored or accounted for either  
19 through the applicable monitoring or through application of the  
20 appropriate missing data procedures;

21 (v) if applicable, whether any sulfur dioxide emitting unit  
22 for which the WEB source is not required to monitor in accordance  
23 with R307-250-9(1)(a)(iii) of this rule remained permanently  
24 retired and had no emissions for the entire applicable period; and

25 (vi) whether there were any changes in the method of  
26 operating or monitoring the WEB source that required monitor  
27 recertification. If there were any such changes, the report must  
28 specify the nature, reason, and date of the change, the method to  
29 determine compliance status subsequent to the change, and  
30 specifically, the method to determine sulfur dioxide emissions.

31 (3) Penalties for Any WEB Source Exceeding Its Allowance  
32 Limitations.

33 (a) Allowance Deduction Penalty.

34 (i) An allowance deduction penalty will be assessed equal to  
35 three times the number of the WEB source's tons of sulfur dioxide  
36 emissions in excess of its allowance limitation for a control  
37 period, determined in accordance with R307-250-12(1). Allowances  
38 allocated for the following control period in the amount of the  
39 allowance deduction penalty will be deducted from the source's  
40 compliance account. If the compliance account does not have  
41 sufficient allowances allocated for that control period, the  
42 required number of allowances will be deducted from the WEB  
43 source's compliance account regardless of the control period for  
44 which they were allocated, once allowances are recorded in the  
45 account.

46 (ii) Any allowance deduction required under R307-250-12(1)(c)  
47 shall not affect the liability of the owners and operators of the  
48 WEB source for any fine, penalty or assessment or their obligation  
49 to comply with any other remedy, for the same violation, as  
50 ordered under the Clean Air Act, implementing regulations or Utah  
51 Code 19-2. Accordingly, a violation can be assessed each day of  
52 the control period for each ton of sulfur dioxide emissions in  
53 excess of its allowance limitation, or for each other violation of

1 R307-250.

2 (4) Liability.

3 (a) WEB Source liability for non-compliance. Separate and  
4 regardless of any allowance deduction penalty, a WEB source that  
5 violates any requirement of this Rule is subject to civil and  
6 criminal penalties under Utah Code 19-2. Each day of the control  
7 period is a separate violation, and each ton of sulfur dioxide  
8 emissions in excess of a source's allowance limitation is a  
9 separate violation.

10 (b) General Liability.

11 (i) Any provision of the WEB Trading Program that applies to  
12 a source or an account representative shall apply also to the  
13 owners and operators of such source.

14 (ii) Any person who violates any requirement or prohibition  
15 of the WEB Trading Program will be subject to enforcement pursuant  
16 to Utah Code 19-2.

17 (iii) Any person who knowingly makes a false material  
18 statement in any record, submission, or report under this WEB  
19 Trading Program shall be subject to criminal enforcement pursuant  
20 to the Utah Code.

21  
22 **R307-250-13. Special Penalty Provisions for the 2018 Milestone.**

23 (1) If the WEB Trading Program is triggered as outlined in  
24 SIP Section XX.E.1, and the first control period will not occur  
25 until after the year 2018, the following provisions shall apply  
26 for the 2018 emissions year.

27 (a) All WEB sources shall register, and shall open a  
28 compliance account within 180 days after the program trigger date,  
29 in accordance with R307-250-6(1) and R307-250-8.

30 (b) The TSA will record the allowances for the 2018 control  
31 period for each WEB source in the source's compliance account once  
32 the executive secretary allocates the 2018 allowances under SIP  
33 Section XX.E.3.a and XX.E.4.

34 (c) The allowance transfer deadline is midnight Pacific  
35 Standard Time on May 31, 2021 (or if this date is not a business  
36 day, midnight of the first business day thereafter). WEB sources  
37 may transfer allowances as provided in R307-250-10(1) until the  
38 allowance transfer deadline.

39 (d) A WEB source must hold allowances allocated for 2018,  
40 including those transferred into the compliance account or a  
41 special reserve account by an allowance transfer correctly  
42 submitted by the allowance transfer deadline, in an amount not  
43 less than the WEB source's total sulfur dioxide emissions for  
44 2018. Emissions will be determined using the pre-trigger  
45 monitoring provisions in SIP Section XX.E.2, and R307-150

46 (e) In accordance with R307-250-11(4) and (d) above, the  
47 executive secretary will seek a minimum financial penalty of  
48 \$5,000 per ton of sulfur dioxide emissions in excess of the WEB  
49 source's allowance limitation.

50 (i) Any source may resolve its excess emissions violation by  
51 agreeing to a streamline settlement approach where the source pays  
52 a penalty of \$5,000 per ton or partial ton of excess emissions,  
53 and payment is received within 90 calendar days after the issuance

1 of a notice of violation.

2 (ii) Any source that does not resolve its excess emissions  
3 violation in accordance with the streamlined settlement approach  
4 in (i) above will be subject to enforcement action in which the  
5 executive secretary will seek a financial penalty for the excess  
6 emissions based on the statutory maximum civil penalties.

7 (f) Each ton of sulfur dioxide emissions in excess of a  
8 source's allowance limitation is a separate violation and each day  
9 of a control period is a separate violation.

10 (2) The provisions in R307-250-13 shall continue to apply  
11 for each year after the 2018 emission year until:

12 (a) the first control period under the WEB trading program;  
13 or

14 (b) the executive secretary determines, in accordance with  
15 SIP Section XX.E.1.c(10), that the 2018 sulfur dioxide milestone  
16 has been met.

17 (3) If the special penalty provisions continue after the  
18 year 2018 as outlined in (2) above, the deadlines listed in (1)(b)  
19 through (e) above will be adjusted as follows:

20 (i) for the 2019 control period the dates will be adjusted  
21 forward by one year, except that the allowance transfer deadline  
22 shall be midnight Pacific Standard Time on May 31, 2021 (or if  
23 this date is not a business day, midnight of the first business  
24 day thereafter); and

25 (ii) for each control period after 2018 that the special  
26 penalty provisions are assessed, the dates in (i) above for the  
27 2019 control period will be adjusted forward by one year.

28 (4) The TSA will record the same number of allowances for  
29 each WEB source as were recorded for the 2018 control period for  
30 each subsequent control period.

### 31 32 **R307-250-14. Integration into Permits.**

33 (1) Initial Permitting. Each source that is a WEB source on  
34 or before the program trigger date shall follow the procedures  
35 outlined in R307-415 to incorporate all of the applicable  
36 requirements of this rule into the permit issued to it under R307-  
37 415.

38 (2) Post Trigger Permitting.

39 (a) New WEB Source. Any existing source that becomes a WEB  
40 source after the program trigger date shall submit a Notice of  
41 Intent pursuant to R307-401 to incorporate all of the requirements  
42 of this rule into an approval order issued under R307-401 within  
43 90 days of the date the source became a WEB source, and shall  
44 follow the procedures of R307-415 to obtain an operating permit.

45 (b) WEB Sources No Longer Subject to Permitting Under R307-  
46 415. If a WEB source's permit issued under R307-415 ceases to be  
47 effective or required, the WEB source must submit a Notice of  
48 Intent pursuant to R307-401 to incorporate all of the requirements  
49 of this rule into an approval order issued under R307-401 within  
50 90 days of the date the permit issued under R307-415 ceased to be  
51 effective or required.

52  
53 **KEY: air pollution, sulfur dioxide, market trading program**

1 **Date of Enactment or Last Substantive Amendment: 2008**  
2 **Notice of Continuation: February 8, 2008**  
3 **Authorizing, and Implemented or Interpreted Law: 19-2-104(1)(a);**  
4 **19-2-104(3)(e)**  
5  
6



~~KEY: air pollution, reports, inventories~~  
~~Date of Enactment or Last Substantive Amendment: [December 31, 2003] 2008~~  
~~Notice of Continuation: February 9, 2004~~  
~~Authorizing, and Implemented or Interpreted Law: 19-2-104(1)(c)~~

## Environmental Quality, Air Quality **R307-250** Western Backstop Sulfur Dioxide Trading Program

**NOTICE OF PROPOSED RULE**  
 (Amendment)  
 DAR FILE NO.: 31559  
 FILED: 06/13/2008, 12:45

### RULE ANALYSIS

**PURPOSE OF THE RULE OR REASON FOR THE CHANGE:** In 2003, the Air Quality Board adopted Rule R307-250 to establish the requirements of a backstop trading program for sulfur dioxide (SO<sub>2</sub>) as part of Utah's Regional Haze State Implementation Plan (SIP). The rule and SIP were submitted to EPA in 2003. EPA raised a number of issues during their review of the submittal. In response to the issues raised by EPA, the following changes to Rule R307-250 are proposed.

**SUMMARY OF THE RULE OR CHANGE:** The following changes to Rule R307-250 are proposed: 1) Financial Penalties. When the backstop trading program was developed by the Western Regional Air Partnership (WRAP), of which Utah is a member, the SO<sub>2</sub> milestones were designed to require most of the regional emission reductions in the year 2018. It was very important that this milestone be met, so the WRAP agreed to an automatic penalty of \$5,000/ton of excess emissions; 2) Special Reserve Compliance Accounts. The rule has been revised to clarify how allowances that were allocated for sources without CEMs will be used to determine compliance. These allowances may not be traded, but may be used to show compliance; and 3) clarifications and corrected citations. EPA identified a number of provisions that needed clarification or that had incorrect citations. These changes occur throughout the rule and do not substantively change the intent of the rule.

**STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS RULE:** Subsections 19-2-104(1)(a) and 19-2-104(3)(e)

#### ANTICIPATED COST OR SAVINGS TO:

- ❖ **THE STATE BUDGET:** No costs or savings are anticipated with this rule change. No new requirements were created with this rule change that impact state budget.
- ❖ **LOCAL GOVERNMENTS:** No costs or savings are anticipated with this rule change. No new requirements were created with this rule change that impact local government.
- ❖ **SMALL BUSINESSES AND PERSONS OTHER THAN BUSINESSES:** Small Business: No costs or savings are anticipated with this rule change. No new requirements were created with this rule

change that impact small businesses. Other Persons: No costs or savings are anticipated with this rule change. No new requirements were created with this rule change that impacts other persons.

**COMPLIANCE COSTS FOR AFFECTED PERSONS:** No costs or savings are anticipated with this rule change. No new requirements were created with this rule change.

**COMMENTS BY THE DEPARTMENT HEAD ON THE FISCAL IMPACT THE RULE MAY HAVE ON BUSINESSES:** The revisions to Rule R307-250 clarify provisions and conforms to the changes in the Regional Haze SIP. It also strengthened the language regarding the penalty if the SO<sub>2</sub> milestones are not met. It is expected that the milestones will be met, thus the penalty is not anticipated to be assessed. Rick W. Sprott, Executive Director

THE FULL TEXT OF THIS RULE MAY BE INSPECTED, DURING REGULAR BUSINESS HOURS, AT:

**ENVIRONMENTAL QUALITY  
 AIR QUALITY  
 150 N 1950 W  
 SALT LAKE CITY UT 84116-3085, or  
 at the Division of Administrative Rules.**

**DIRECT QUESTIONS REGARDING THIS RULE TO:**  
 Kimberly Kreykes at the above address, by phone at 801-536-4042, by FAX at 801-536-4099, or by Internet E-mail at [kkreykes@utah.gov](mailto:kkreykes@utah.gov)

INTERESTED PERSONS MAY PRESENT THEIR VIEWS ON THIS RULE BY SUBMITTING WRITTEN COMMENTS TO THE ADDRESS ABOVE NO LATER THAN 5:00 PM on 07/31/2008

INTERESTED PERSONS MAY ATTEND A PUBLIC HEARING REGARDING THIS RULE: 7/17/2008 at 2:00 PM, DEQ Bldg, 168 N 1950 W, Room 201, Salt Lake City, UT.

THIS RULE MAY BECOME EFFECTIVE ON: 08/07/2008

AUTHORIZED BY: Bryce Bird, Planning Branch Manager

#### **R307. Environmental Quality, Air Quality. R307-250. Western Backstop Sulfur Dioxide Trading Program. R307-250-3. WEB Trading Program Trigger.**

(1) Except as provided in (2) below, R307-250 shall ~~apply[become effective]~~ on the program trigger date that is established in accordance with the procedures in SIP Section XX.E.1.c.

(2) Special Penalty Provisions for the ~~[Year]~~ 2018 Milestone. R307-250-13, shall ~~apply[become effective]~~ on January 1, 2018, and shall remain effective until the requirements of R307-250-13 have been met.

#### **R307-250-4. WEB Trading Program Applicability.**

(1) General Applicability. R307-250 applies to any stationary source or group of stationary sources that are located on one or more contiguous or adjacent properties and that are under the control of the same person or persons under common control, belonging to the same

industrial grouping, and that are described in paragraphs (a) and (b) [through (e)] of this subsection. A stationary source or group of stationary sources shall be considered part of a single industrial grouping if all of the pollutant emitting activities at such source or group of sources on contiguous or adjacent properties belong to the same Major Group (i.e., all have the same two-digit code) as described in the Standard Industrial Classification Manual, 1987.

(a) [All BART-eligible sources as defined in 40 CFR 51.301 that are BART-eligible due to sulfur dioxide emissions.

—(b)—All stationary sources [not meeting the criteria of (a)] that have actual sulfur dioxide emissions of 100 tons or more per year in the program trigger years or any subsequent year. The fugitive emissions of a stationary source shall not be considered in determining whether it is subject to R307-250 unless the source belongs to one of the following categories of stationary source:

- (i) Coal cleaning plants (with thermal dryers);
- (ii) Kraft pulp mills;
- (iii) Portland cement plants;
- (iv) Primary zinc smelters;
- (v) Iron and steel mills;
- (vi) Primary aluminum ore reduction plants;
- (vii) Primary copper smelters;
- (viii) Municipal incinerators capable of charging more than 250 tons of refuse per day;
- (ix) Hydrofluoric, sulfuric, or nitric acid plants;
- (x) Petroleum refineries;
- (xi) Lime plants;
- (xii) Phosphate rock processing plants;
- (xiii) Coke oven batteries;
- (xiv) Sulfur recovery plants;
- (xv) Carbon black plants (furnace process);
- (xvi) Primary lead smelters;
- (xvii) Fuel conversion plants;
- (xviii) Sintering plants;
- (xix) Secondary metal production plants;
- (xx) Chemical process plants;
- (xxi) Fossil-fuel boilers (or combination thereof) totaling more than 250 million British thermal units per hour heat input;
- (xxii) Petroleum storage and transfer units with a total storage capacity exceeding 300,000 barrels;
- (xxiii) Taconite ore processing plants;
- (xxiv) Glass fiber processing plants;
- (xxv) Charcoal production plants;
- (xxvi) Fossil-fuel-fired steam electric plants of more than 250 million British thermal units per hour heat input; or

(xxvii) Any other stationary source category, which as of August 7, 1980, is being regulated under Section 111 or 112 of the Clean Air Act.

(b)(e) A new source that begins operation after the program trigger date and has the potential to emit 100 tons or more of sulfur dioxide per year.

(2) The executive secretary may determine on a case-by-case basis, with concurrence from the EPA Administrator, that a stationary source defined in (1)(b) above that has not previously met the applicability requirements of (1) is not subject to R307-250 if the stationary source had actual sulfur dioxide emissions of 100 tons or more in a single year and in each of the previous five years had actual sulfur dioxide emissions of less than 100 tons per year, and:

(a)(i) the emissions increase was due to a temporary emission increase that was caused by a sudden, infrequent failure of air pollution

control equipment, or process equipment, or a failure to operate in a normal or usual manner, and

(ii) the stationary source has corrected the failure of air pollution equipment, process equipment, or process by the time of the executive secretary's determination; or

(b) the stationary source had to switch fuels or feedstocks on a temporary basis and as a result of an emergency situation or unique and unusual circumstances besides the cost of such fuels or feedstocks.

(3) Duration of Applicability. Except as provided for in (4) below, once a stationary source is subject to R307-250, it will remain subject to the rule every year thereafter.

(4) Retired Source Exemption.

(a) Application. Any WEB source that is permanently retired shall apply for a retired source exemption. The WEB source may be considered permanently retired only if all sulfur dioxide emitting units at the source are permanently retired. The application shall contain the following information:

(i) identification of the WEB source, including the plant name and an appropriate identification code in a format specified by the executive secretary;

(ii) name of account representative;

(iii) description of the status of the WEB source, including the date that the WEB source was permanently retired;

(iv) signed certification that the WEB source is permanently retired and will comply with the requirements of R307-250-4(4); and

(v) verification that the WEB source has a general account where any unused allowances or future allocations will be recorded.

(b) Notice. The retired source exemption becomes effective when the executive secretary notifies the WEB source that the retired source exemption has been granted.

(c) Responsibilities of Retired Sources.

(i) A retired source shall be exempt from R307-250-9 and R307-250-12, except as provided below.

(ii) A retired source shall not emit any sulfur dioxide after the date the retired source exemption is issued.

(iii) A WEB source shall submit sulfur dioxide emissions reports, as required by R307-250-9, for any time period the source was operating prior to the effective date of the retired source exemption. The retired source shall be subject to the compliance provisions of R307-250-12, including the requirement to hold allowances in the source's compliance account to cover all sulfur dioxide emissions prior to the date the source was permanently retired.

(iv) A retired source that is still in existence but no longer emitting sulfur dioxide shall, for a period of five years from the date the records are created, retain records demonstrating that the source is permanently retired for purposes of this rule.

(d) Resumption of Operations.

(i) Before resuming operation, the retired source must submit registration materials as follows:

(A) If the source is required to obtain an approval order under R307-401 or an operating permit under R307-415 prior to resuming operation, then registration information as described in R307-250-6(1) and a copy of the retired source exemption must be submitted with the notice of intent under R307-401 or the operating permit application required under R307-415;

(B) If the source does not meet the criteria of (A), then registration information as described in R307-250-6(1) and a copy of the retired source exemption must be submitted to the executive secretary at least ninety days prior to resumption of operation.

(ii) The retired source exemption shall automatically expire on the day the retired source resumes operation.

(e) Loss of Future Allowances. A WEB source that is permanently retired and that does not apply to the executive secretary for a retired source exemption within ninety days of the date that the source is permanently retired shall forfeit any unused and future allowances. The abandoned allowances shall be retired by the TSA.

#### **R307-250-7. Allowance Allocations.**

(1) The TSA will record the allowances for each WEB source in the source's compliance account once the allowances are allocated by the executive secretary under SIP Section XX.E.3.a through c. If applicable, the TSA will record a portion of the sulfur dioxide allowances for a WEB source in a special reserve compliance account to account for any allowances to be held by the source that conducts monitoring in accordance with R307-250-9(1)(b).

(2) The TSA will assign a serial number to each allowance in accordance with SIP Section XX.E.3.f.

(3) All allowances shall be allocated, recorded, transferred, or used as whole allowances. To determine the number of whole allowances, the number of allowances shall be rounded down for decimals less than 0.50 and rounded up for decimals of 0.50 or greater.

(4) An allowance is not a property right, and is a limited authorization to emit one ton of sulfur dioxide valid only for the purpose of meeting the requirements of R307-250. No provision of the WEB Trading Program or other law should be construed to limit the authority of the executive secretary to terminate or limit such authorization.

(5) Early Reduction Bonus Allocation. Any non-utility WEB source that installs new control technology and that reduces its permitted annual sulfur dioxide emissions to a level that is below the floor level allocation established for that source in SIP Section XX.E.3.a(1)(b)(i) or any utility that reduces its permitted annual sulfur dioxide emissions to a level that is below best available control technology may apply to the executive secretary for an early reduction bonus allocation. The bonus allocation shall be available for reductions that occur between 2003 and the program trigger year. The application must be submitted no later than 90 days after the program trigger date. Any WEB source that applies and receives early reduction bonus allocations must retain the records referenced in this section for a minimum of five years after the early reduction bonus allowance is certified in accordance with SIP Section XX.E.3.a(c). The application for an early reduction bonus allocation must contain the following information:

(a) copies of all approval orders, operating permits or other enforceable documents that include annual sulfur dioxide emissions limits for the WEB source during the period the WEB source qualifies for an early reduction credit. Approval orders, permits, or enforceable documents must contain monitoring requirements for sulfur dioxide emissions that meet the specifications in R307-250-9(1)(a).

(b) demonstration that the floor level established for the source in SIP Section XX.E.3.a(1)(b)(i) for non-utilities or best available control technology for utilities was calculated using data that are consistent with monitoring methods specified in R307-250-9(1)(a). If needed, the demonstration shall include a new floor level calculation that is consistent with the monitoring methodology in R307-250-9.

(6) Request for Allowances for New WEB Sources or Modified WEB Sources.

(a) A new WEB source may apply to the executive secretary for an allocation from the new source set-aside, as outlined in SIP Section XX.E.3.c. A new WEB source is eligible for an annual floor allocation

equal to the lower of the permitted annual sulfur dioxide emission limit for that source, or sulfur dioxide annual emissions calculated based on a level of control equivalent to best available control technology (BACT) and assuming 100 percent utilization of the WEB source, beginning with the first full calendar year of operation.

(b) An existing WEB source that has increased production capacity through a new approval order issued under R307-401 may apply to the executive secretary for an allocation from the new source set-aside, as outlined in SIP Section XX.E.3.c. An existing WEB source is eligible for an annual allocation equal to:

(i) the permitted annual sulfur dioxide emission limit for a new unit; or

(ii) the permitted annual sulfur dioxide emission increase for the WEB source due to the replacement of an existing unit with a new unit or the modification of an existing unit that increased production capacity of the WEB source.

(c) A source that has received a retired source exemption under R307-250-4(4) is not eligible for an allocation from the new source set-aside.

(d) The application for an allocation from the new source set-aside must contain the following:

(i) for a new WEB source or a new unit under R307-250-7(6)(b)(i), documentation of the actual date of the commencement of operation and a copy of the approval order issued under R307-401;

(ii) for an existing WEB source under R307-250-7(6)(b)(ii), documentation of the production capacity of the source before and after the new permit.

#### **R307-250-8. Establishment of Accounts.**

(1) Allowance Tracking System Accounts. All WEB sources are required to open a compliance account. Any person may open a general account for the purpose of holding and transferring allowances. In addition, if a WEB source conducts monitoring under R307-250-9(1)(b), the WEB source shall open a special reserve compliance account for allowances associated with units monitored under those provisions. To open any type of account, an application that contains the following information must be submitted to the TSA:

(a) the name, mailing address, e-mail address, telephone number, and facsimile number of the account representative. For a compliance account, the application shall include a copy of the certificate for the account representative and any alternate as required in R307-250-5(2)(b). For a general account, the application shall include the certificate for the account representative and any alternate as required in (3)(b) below.

(b) the WEB source or organization name;

(c) the type of account to be opened;

(d) identification of the specific units that are being monitored under R307-250-9(1)(b) and that must demonstrate compliance with the allowance limitation in the special reserve compliance account; and

(e) a signed certification of truth and accuracy by the account representative according to R307-250-5(3)(b) for compliance accounts and for general accounts, certification of truth and accuracy by the account representative according to (4) below.

(2) Account Representative for General Accounts. For a general account, one account representative must be identified and an alternate account representative may be identified and may act on behalf of the account representative. Any representation, action, inaction or submission by the alternate account representative will be deemed to be a representation, action, inaction or submission by the account representative.

(3) Identification and Certification of an Account Representative for General Accounts.

(a) The account representative shall be appointed by an agreement that makes the representations, actions, inactions or submissions of the account representative binding on all persons who have an ownership interest with respect to allowances held in the general account.

(b) The account representative shall submit to the TSA a signed and dated certificate that contains the following elements:

(i) the name, address, e-mail (if available), telephone and facsimile number of the account representative and any alternate;

(ii) the organization name, if applicable;

(iii) the following certification statement: "I certify that I was selected as the account representative or alternate account representative, as applicable, by an agreement binding on all persons who have an ownership interest in allowances in the general account with regard to matters concerning the general account. I certify that I have all the necessary authority to carry out my duties and responsibilities under the WEB Trading Program on behalf of said persons and that each such person shall be fully bound by my representations, actions, inactions, or submissions."

(c) Upon receipt by the TSA of the complete certificate, the account representative represents and, by his or her representations, actions, inactions, or submissions, legally binds each person who has an ownership interest in allowances held in the general account with regard to all matters concerning the general account. Such persons shall be bound by any decision or order issued by the executive secretary.

(d) A WEB Allowance Tracking System general account shall not be established until the TSA has received a complete certificate. Once the account is established, the account representative shall make all submissions concerning the account, including the deduction or transfer of allowances.

(4) Requirements and Responsibilities for General Accounts. Each submission for the general account shall be signed and certified by the account representative for the general account. Each submission shall include the following truth and accuracy certification statement by the account representative: "I am authorized to make this submission on behalf of all person who have an ownership interest in allowances held in the general account. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment."

(5) Changing the Account Representative for General Accounts. The account representative or alternate account representative may be changed at any time by sending a complete superseding certificate to the executive secretary and the TSA under (3)(b) above. The change will take effect upon the receipt of the certificate by the TSA. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous account representative or alternate prior to the time and date when the TSA receives the superseding certificate shall be binding on the new account representative and all persons having ownership interest with respect to allowances held in the general account.

(6) Changes to the Account. Any change to the information required in the application for an existing account under (1) above shall require a revision of the application.

**R307-250-9. Monitoring, Recordkeeping and Reporting.**

(1) General Requirements on Monitoring Methods.

(a) For each sulfur dioxide emitting unit at a WEB source the WEB source shall comply with the following, as applicable, to monitor and record sulfur dioxide mass emissions.

(i) If a unit is subject to 40 CFR Part 75 under a requirement separate from the WEB Trading Program, the unit shall meet the requirements contained in Part 75 with respect to monitoring, recording and reporting sulfur dioxide mass emissions.

(ii) If a unit is not subject to 40 CFR Part 75 under a requirement separate from the WEB Trading Program, a unit shall use one of the following monitoring methods, as applicable:

(A) a continuous emission monitoring system (CEMS) for sulfur dioxide and flow that complies with all applicable monitoring provisions in 40 CFR Part 75;

(B) if the unit is a gas- or oil-fired combustion device, the excepted monitoring methodology in Appendix D to 40 CFR Part 75, or, if applicable, the low mass emissions (LME) provisions (with respect to sulfur dioxide mass emissions only) of 40 CFR 75.19;

(C) one of the optional WEB protocols, if applicable, in Appendix E of State Implementation Plan Section XX, Regional Haze; or

(D) a petition for site-specific monitoring that the source submits for approval by the executive secretary and approval by the U.S. Environmental Protection Agency in accordance with R307-250-9(9).

(iii) A permanently retired unit shall not be required to monitor under this section if such unit was permanently retired and had no emissions for the entire control period and the account representative certifies in accordance with R307-250-12(2) that these conditions were met.

(b) Notwithstanding (a) above, a WEB source with a unit that meets one of the conditions of (i) below may submit a request to the executive secretary to have the provisions of this subsection (b) apply to that unit.

(i) Any of the following units may implement this subsection (b):

(A) any smelting operation where all of the emissions from the operation are not ducted to a stack; or

(B) any flare, except to the extent such flares are used as a fuel gas combustion device at a petroleum refinery; or

(C) any other type of unit without add-on sulfur dioxide control equipment, if the unit belongs to one of the following source categories: cement kilns, pulp and paper recovery furnaces, lime kilns, or glass manufacturing.

(ii) For each unit covered by this subsection (b), the account representative shall submit a notice to request that this subsection (b) apply to one or more sulfur dioxide emitting units at a WEB source. The notice shall be submitted in accordance with the deadlines specified in R307-250-9(6)(a), and shall include the following information (in a format specified by the executive secretary with such additional, related information as may be requested):

(A) a list of all units at the WEB source that identifies the units that are to be covered by this subsection (b);

(B) an identification of any such units that are permanently retired.

(iii) For each new unit at an existing WEB source for which the WEB source seeks to comply with this subsection (b) and for which the account representative applies for an allocation under the new source set-aside provisions of R307-250-7(6), the account representative shall submit a modified notice under (ii) above that includes such new sulfur dioxide emitting units. The modified request shall be submitted in accordance with the deadlines in R307-250-

9(6)(a), but no later than the date on which a request is submitted under R307-250-7(6) for allocations from the set-aside.

(iv) The account representative for a WEB source shall submit an annual emissions statement for each unit under this subsection (b) pursuant to R307-250-9(8). The WEB source shall maintain operating records sufficient to estimate annual sulfur dioxide emissions in a manner consistent with the emission inventory submitted by the source for calendar year 1998. In addition, if the estimated emissions from all such units at the WEB source are greater than the allowances for the current control year held in the special reserve compliance account for the WEB source, the account representative shall report the extra amount as part of the annual report for the WEB source under R307-250-12 and shall obtain and transfer allowances into the special reserve compliance account to account for such emissions.

(v) R307-250-9(2) - (10) shall not apply to units covered by this paragraph except where otherwise noted.

(vi) A WEB source may opt to modify the monitoring for a sulfur dioxide emitting unit to use monitoring under (a) above, but any such monitoring change must take effect on January 1 of the next compliance year. In addition, the account representative must submit an initial monitoring plan at least 180 days prior to the date on which the new monitoring will take effect and a detailed monitoring plan in accordance with (2) below. The account representative shall also submit a revised notice under R307-250-9(1)(b)(ii) at the same time that the initial monitoring plan is submitted.

(c) For any monitoring method that the WEB source uses under R307-250-9 including (b) above, the WEB source shall install, certify, and operate the equipment in accordance with this section, and record and report the data from the method as required in this section. In addition, the WEB source may not:

(i) except for an alternative approved by the EPA Administrator for a WEB source that implements monitoring under (a) above, use an alternative monitoring system, alternative reference method or another alternative for the required monitoring method without having obtained prior written approval in accordance with (9) below;

(ii) operate a sulfur dioxide emitting unit so as to discharge, or allow to be discharged, sulfur dioxide emissions to the atmosphere without accounting for these emissions in accordance with the applicable provisions of this section;

(iii) disrupt the approved monitoring method or any portion thereof, and thereby avoid monitoring and recording sulfur dioxide mass emissions discharged into the atmosphere, except for periods of recertification or periods when calibration, quality assurance testing or maintenance is performed in accordance with the applicable provisions of this section; or

(iv) retire or permanently discontinue use of an approved monitoring method, except under one of the following circumstances:

(A) during a period when the unit is exempt from the requirements of this Section, including retirement of a unit as addressed in (a)(iii) above;

(B) the WEB source is monitoring emissions from the unit with another certified monitoring method approved under this Section for use at the unit that provides data for the same parameter as the retired or discontinued monitoring method; or

(C) the account representative submits notification of the date of certification testing of a replacement monitoring system in accordance with this Section, and the WEB source recertifies thereafter a replacement monitoring system in accordance with the applicable provisions of this Section.

## (2) Monitoring Plan.

(a) General Provisions. ~~The~~ A WEB source with a sulfur dioxide emitting unit that uses a monitoring method under (1)(a)(ii) above shall meet the following requirements.

(i) Prepare and submit to the executive secretary an initial monitoring plan for each monitoring method that the WEB source uses to comply with this Section. In accordance with (c) below, the plan shall contain sufficient information on the units involved, the applicable method, and the use of data derived from that method to demonstrate that all unit sulfur dioxide emissions are monitored and reported. The plan shall be submitted in accordance with the deadlines specified in (6) below.

(ii) Prepare, maintain and submit to the executive secretary a detailed monitoring plan in accordance with the deadlines specified in (6) below. The plan will contain the applicable information required by (d) below. The executive secretary may require that the monitoring plan or portions of it be submitted electronically. The executive secretary may also require that the plan be submitted on an ongoing basis in electronic format as part of the quarterly report submitted under (8)(a) below or resubmitted separately within 30 days after any change is made to the plan in accordance with (iii) below.

(iii) Whenever ~~a~~ the WEB source makes a replacement, modification, or change in one of the systems or methodologies provided for in (1)(a)(ii) above, including a change in the automated data acquisition and handling system or in the flue gas handling system, that affects information reported in the monitoring plan, such as a change to serial number for a component of a monitoring system, then the WEB source shall update the monitoring plan.

(b) ~~A~~ The WEB source with a sulfur dioxide emitting unit that uses a method under (1)(a)(i) above shall meet the requirements of (a) - (f) by preparing, maintaining and submitting a monitoring plan in accordance with the requirements of 40 CFR Part 75. If requested, the WEB source also shall submit the entire monitoring plan to the executive secretary.

(c) Initial Monitoring Plan. The account representative shall submit an initial monitoring plan for each sulfur dioxide emitting unit or group of units sharing a common methodology that, except as otherwise specified in an applicable provision in Appendix E of State Implementation Plan Section XX, contains the following information:

(i) For all sulfur dioxide emitting units:

(A) plant name and location;

(B) plant and unit identification numbers assigned by the executive secretary;

(C) type of unit, or units for a group of units using a common monitoring methodology;

(D) identification of all stacks or pipes associated with the monitoring plan;

(E) types of fuels fired or sulfur containing process materials used in the sulfur dioxide emitting unit, and the fuel classification of the unit if combusting more than one type of fuel and using a 40 CFR Part 75 methodology;

(F) types of emissions controls for sulfur dioxide installed or to be installed, including specifications of whether such controls are pre-combustion, post-combustion, or integral to the combustion process;

(G) maximum hourly heat input capacity, or process throughput capacity, if applicable;

(H) identification of all units using a common stack; and

(I) indicator of whether any stack identified in the plan is a bypass stack.

(ii) For each unit and parameter required to be monitored, identification of monitoring methodology information, consisting of monitoring methodology, monitor locations, substitute data approach for the methodology, and general identification of quality assurance procedures. If the proposed methodology is a specific methodology submitted pursuant to (1)(a)(ii)(D) above, the description under this paragraph shall describe fully all aspects of the monitoring equipment, installation locations, operating characteristics, certification testing, ongoing quality assurance and maintenance procedures, and substitute data procedures.

(iii) If a [the] WEB source intends to petition for a change to any specific monitoring requirement otherwise required under this Section, such petition may be submitted as part of the initial monitoring plan.

(iv) The executive secretary may issue a notice of approval or disapproval of the initial monitoring plan based on the compliance of the proposed methodology with the requirements for monitoring in this Section.

(d) Detailed Monitoring Plan. The account representative shall submit a detailed monitoring plan that, except as otherwise specified in an applicable provision in Appendix C[E] of State Implementation Plan Section XX, the Regional Haze SIP, shall contain the following information:

(i) Identification and description of each monitoring component (including each monitor and its identifiable components, such as analyzer or probe) in a continuous emissions monitoring system (e.g., sulfur dioxide pollutant concentration monitor, flow monitor, moisture monitor), a 40 CFR Part 75, Appendix D monitoring system (e.g., fuel flowmeter, data acquisition and handling system), or a protocol in Appendix B of SIP Section XX, including:

(A) manufacturer, model number and serial number;

(B) component and system identification code assigned by the facility to each identifiable monitoring component, such as the analyzer and/or probe;

(C) designation of the component type and method of sample acquisition or operation such as in situ pollutant concentration monitor or thermal flow monitor;

(D) designation of the system as a primary or backup system;

(E) first and last dates the system reported data;

(F) status of the monitoring component; and

(G) parameter monitored.

(ii) Identification and description of all major hardware and software components of the automated data acquisition and handling system, including:

(A) hardware components that perform emission calculations or store data for quarterly reporting purposes, including the manufacturer and model number; and

(B) identification of the provider and model or version number of the software components.

(iii) Explicit formulas for each measured emissions parameter, using component or system identification codes for the monitoring system used to measure the parameter that links the system observations with the reported concentrations and mass emissions. The formulas must contain all constants and factors required to derive mass emissions from component or system code observations and an indication of whether the formula is being added, corrected, deleted, or is unchanged. The WEB source with a low mass emissions unit for which the WEB source is using the optional low mass emissions excepted methodology in 40 CFR Part 75.19(c) is not required to report such formulas.

(iv) For units with flow monitors only, the inside cross-sectional area in square feet at the flow monitoring location.

(v) If using CEMS for sulfur dioxide and flow, for each parameter monitored, include the scale, maximum potential concentration and method of calculation, maximum expected concentration, if applicable, and method of calculation, maximum potential flow rate and method of calculations, span value, full-scale range, daily calibration units of measure, span effective date and hour, span inactivation date and hour, indication of whether dual spans are required, default high range value, flow rate span, and flow rate span value and full scale value in standard cubic feet per hour for each unit or stack using sulfur dioxide or flow component monitors.

(vi) If the monitoring system or excepted methodology provides for use of a constant, assumed, or default value for a parameter under specific circumstances, then include the following information for each value of such parameter:

(A) identification of the parameter;

(B) default, maximum, minimum, or constant value, and units of measure for the value;

(C) purpose of the value;

(D) indicator of use during controlled and uncontrolled hours;

(E) types of fuel;

(F) source of the value;

(G) value effective date and hour;

(H) date and hour value is no longer effective, if applicable; and

(I) for units using the excepted methodology under 40 CFR 75.19, the applicable sulfur dioxide emission factor.

(vii) Unless otherwise specified in subsection 6.5.2.1 of Appendix A to 40 CFR Part 75, for each unit or common stack on which continuous emissions monitoring system hardware are installed:

(A) the upper and lower boundaries of the range of operation as defined in subsection 6.5.2.1 of Appendix A to 40 CFR Part 75, or thousands of pounds per hour (lb/hr) of steam, or feet per second (ft/sec), as applicable;

(B) the load or operating level(s) designated as normal in subsection 6.5.2.1 of Appendix A to 40 CFR Part 75, or thousands of lb/hr of steam, or ft/sec, as applicable;

(C) the two load or operating levels (i.e., low, mid, or high) identified in subsection 6.5.2.1 of Appendix A to 40 CFR Part 75 as the most frequently used;

(D) the date of the data analysis used to determine the normal load (or operating) level(s) and the two most frequently-used load or operating levels; and

(E) activation and deactivation dates when the normal load or operating levels change and are updated.

(viii) For each unit that is complying with 40 CFR Part 75 for which the optional fuel flow-to-load test in subsection 2.1.7 of Appendix D to 40 CFR Part 75 is used:

(A) the upper and lower boundaries of the range of operation as defined in subsection 6.5.2.1 of Appendix A to 40 CFR Part 75, expressed in thousands of lb/hr of steam;

(B) the load level designated as normal, pursuant to subsection 6.5.2.1 of Appendix A to 40 CFR Part 75, expressed in thousands of lb/hr of steam; and

(C) the date of the load analysis used to determine the normal load level.

(ix) Information related to quality assurance testing, including, as applicable: identification of the test strategy; protocol for the relative accuracy test audit; other relevant test information; calibration gas levels expressed as percent of span for the calibration error test and linearity check; and calculations for determining maximum potential concentration, maximum expected concentration if applicable, maximum potential flow rate, and span[s].

(x) If applicable, apportionment strategies under sections 75.10 through 75.18 of 40 CFR Part 75.

(xi) Description of site locations for each monitoring component in a monitoring system, including schematic diagrams and engineering drawings and any other documentation that demonstrates each monitor location meets the appropriate siting criteria. For units monitored by a continuous emission monitoring system, diagrams shall include:

(A) a schematic diagram identifying entire gas handling system from unit to stack for all units, using identification numbers for units, monitor components, and stacks corresponding to the identification numbers provided in the initial monitoring plan and (i) and (iii) above. The schematic diagram must depict the height of any monitor locations. Comprehensive and/or separate schematic diagrams shall be used to describe groups of units using a common stack; and

(B) stack and duct engineering diagrams showing the dimensions and locations of fans, turning vanes, air preheaters, monitor components, probes, reference method sampling ports, and other equipment that affects the monitoring system location, performance, or quality control checks.

(xii) A data flow diagram denoting the complete information handling path from output signals of CEMS components to final reports.

(e) In addition to supplying the information in (c) and (d) above, the WEB source with a sulfur dioxide emitting unit using either of the methodologies in (1)(a)(ii)(B) above shall include the following information in its monitoring plan for the specific situations described:

(i) For each gas-fired or oil-fired sulfur dioxide emitting unit for which the WEB source uses the optional protocol in Appendix D to 40 CFR Part 75 for sulfur dioxide mass emissions, the Account Representative shall include the following information in the monitoring plan:

(A) parameter monitored;

(B) type of fuel measured, maximum fuel flow rate, units of measure, and basis of maximum fuel flow rate expressed as the upper range value or unit maximum for each fuel flowmeter;

(C) test method used to check the accuracy of each fuel flowmeter;

(D) submission status of the data;

(E) monitoring system identification code;

(F) the method used to demonstrate that the unit qualifies for monthly gross calorific value (GCV) sampling or for daily or annual fuel sampling for sulfur content, as applicable;

(G) a schematic diagram identifying the relationship between the unit, all fuel supply lines, the fuel flowmeters, and the stacks. The schematic diagram must depict the installation location of each fuel flowmeter and the fuel sampling locations. Comprehensive or separate schematic diagrams shall be used to describe groups of units using a common pipe;

(H) for units using the optional default sulfur dioxide emission rate for "pipeline natural gas" or "natural gas" in appendix D to 40 CFR Part 75, the information on the sulfur content of the gaseous fuel used to demonstrate compliance with either subsection 2.3.1.4 or 2.3.2.4 of Appendix D to 40 CFR Part 75;

(I) for units using the 720 hour test under subsection 2.3.6 of Appendix D to 40 CFR Part 75 to determine the required sulfur sampling requirements, report the procedures and results of the test; and

(J) for units using the 720 hour test under subsection 2.3.5 of Appendix D to 40 CFR Part 75 to determine the appropriate fuel GCV sampling frequency, report the procedures used and the results of the test.

(ii) For each sulfur dioxide emitting unit for which the WEB source uses the low mass emission excepted methodology of [Section]40 CFR 75.19[~~to 40 CFR Part 75~~], the WEB source shall include the [following—]information in (A) through (F) in the monitoring plan that accompanies the initial certification application.[:]

(A) [t]The results of the analysis performed to qualify as a low mass emissions unit under [Section]40 CFR 75.19(c)[~~to 40 CFR Part 75~~]. This report will include either the previous three years' actual or projected emissions. The report will include the current calendar year of application; the type of qualification; years one, two, and three; annual measured, estimated or projected sulfur dioxide mass emissions for years one, two, and three; and annual operating hours for years one, two, and three.

(B) [a]A schematic diagram identifying the relationship between the unit, all fuel supply lines and tanks, any fuel flowmeters, and the stacks. Comprehensive or separate schematic diagrams shall be used to describe groups of units using a common pipe.[:]

(C) [f]For units which use the long term fuel flow methodology under [subsection]40 CFR 75.19(c)(3)[~~to 40 CFR Part 75~~], a diagram of the fuel flow to each unit or group of units and a detailed description of the procedures used to determine the long term fuel flow for a unit or group of units for each fuel combusted by the unit or group of units.[:]

(D) [a]A statement that the unit burns only gaseous fuels or fuel oil and a list of the fuels that are burned or a statement that the unit is projected to burn only gaseous fuels or fuel oil and a list of the fuels that are projected to be burned.[:]

(E) [a]A statement that the unit meets the applicability requirements in [sections]40 CFR 75.19(a) and (b)[~~to 40 CFR Part 75~~] with respect to sulfur dioxide emissions.[:and]

(F) [a]Any unit historical actual, estimated and projected sulfur dioxide emissions data and calculated sulfur dioxide emissions data demonstrating that the unit qualifies as a low mass emissions unit under [sections]40 CFR 75.19(a) and (b)[~~to 40 CFR Part 75~~].

(iii) For each gas-fired unit, the account representative shall include the following in the monitoring plan: current calendar year, fuel usage data as specified in the definition of gas-fired in 40 CFR 72.2, and an indication of whether the data are actual or projected data.

(f) The specific elements of a monitoring plan under this section shall not be part of a WEB source's operating permit issued under R307-415, and modifications to the elements of the plan shall not require a permit modification.

### (3) Certification and Recertification.

(a) All monitoring systems are subject to initial certification and recertification testing as specified in 40 CFR Part 75 or Appendix E of State Implementation Plan Section XX, as applicable. Certification or recertification of a monitoring system by the U.S. EPA for a WEB source that is subject to 40 CFR Part 75 under a requirement separate from this Rule shall constitute certification under the WEB Trading Program.

(b) The WEB source with a sulfur dioxide emitting unit not otherwise subject to 40 CFR Part 75 that monitors sulfur dioxide mass emissions in accordance with 40 CFR Part 75 to satisfy the requirements of this section shall perform all of the tests required by that regulation and shall submit the following to the executive secretary:

(i) a test notice, not later than 21 days before the certification testing of the monitoring system, provided that the executive secretary may establish additional requirements for adjusting test dates after this notice as part of the approval of the initial monitoring plan under (2)(c) above; and



(ii) an initial certification application within 45 days after testing is complete.

(c) A monitoring system will be considered provisionally certified while the application is pending.

(d) Upon receipt of a disapproval of the certification of a monitoring system or component, the certification is revoked. The data measured and recorded shall not be considered valid quality-assured data from the date of issuance of the notification of revocation until the WEB source completes a subsequently-approved certification or recertification test in accordance with the procedures in this rule. The WEB source shall apply the substitute data procedures in this rule to replace all of the invalid data for each disapproved system or component.

(4) Ongoing Quality Assurance and Quality Control. The WEB source shall satisfy the applicable quality assurance and quality control requirements of 40 CFR Part 75 or, if the WEB source is subject to a WEB protocol in Appendix E of State Implementation Plan Section XX, the applicable quality assurance and quality control requirements in Appendix E of State Implementation Plan Section XX on and after the date that certification testing commences.

(5) Substitute Data Procedures.

(a) For any period after certification testing is complete in which quality assured, valid data are not being recorded by a monitoring system certified and operating in accordance with R307-250, missing or invalid data shall be replaced with substitute data in accordance with 40 CFR Part 75 or, if the WEB source is subject to a WEB protocol in Appendix E of State Implementation Plan Section XX, with substitute data in accordance with that Appendix.

(b) For a sulfur dioxide emitting unit that does not have a certified or provisionally certified monitoring system in place as of the beginning of the first control period for which the unit is subject to the WEB Trading Program, the WEB source shall use one of the following procedures.

(i) If the WEB source will use a continuous emissions monitoring system to comply with this Section, substitute the maximum potential concentration of sulfur dioxide for the unit and the maximum potential flow rate, as determined in accordance with 40 CFR Part 75. The procedures for conditional data validation under section 75.20(b)(3) may be used for any monitoring system under this Rule that uses these 40 CFR Part 75 procedures, as applicable.

(ii) If the WEB source will use the 40 CFR Part 75 Appendix D methodology, substitute the maximum potential sulfur content, density or gross calorific value for the fuel and the maximum potential fuel flow rate, in accordance with section 2.4 of Appendix D to 40 CFR Part 75.

(iii) If the WEB source will use the 40 CFR Part 75 methodology for low mass emissions units, substitute the sulfur dioxide emission factor required for the unit as specified in 40 CFR 75.19 and the maximum rated hourly heat input, as defined in 40 CFR 72.2.

(iv) If using a protocol in Appendix E of State Implementation Plan Section XX, follow the procedures in the applicable protocol.

(6) Deadlines.

(a) The initial monitoring plan required under R307-250-9(2)(a)(i) shall be submitted by the following dates:

(i) for each source that is a WEB source on or before the program trigger date, the monitoring plan shall be submitted 180 days after such program trigger date.

(ii) for any existing source that becomes a WEB source after the program trigger date, the monitoring plan shall be submitted by September 30 of the year following the inventory year in which the source exceeded the emissions threshold.

(iii) for any new WEB source, the monitoring plan shall be included with the notice of intent required by R307-401.

(b) The detailed monitoring plan required under R307-250-9(2)(a)(ii) shall be submitted no later than 45 days prior to commencing certification testing in accordance with (c) below.

(c) Emission monitoring systems shall be installed, operational and shall have met all of the certification testing requirements of R307-250-9(3), including any referenced in Appendix E of State Implementation Plan Section XX, by the following dates:

(i) for each source that is a WEB source on or before the program trigger date, two years prior to the start of the first control period as described in R307-250-12.

(ii) for any existing source that becomes a WEB source after the program trigger date, one year after the due date for the monitoring plan under (6)(a)(ii) above.

(iii) for any new WEB source or any new unit at a WEB source, the earlier of 90 unit operating days or 180 calendar days after the date the new source commences operation.

(d) The WEB source shall submit test notices and certification applications in accordance with the deadlines set forth in R307-250-9(3)(b).

(e) For each control period, the WEB source shall submit each quarterly report no later than 30 days after the end of each calendar quarter, and shall submit each annual report no later than 60 days after the end of each calendar year.

(7) Recordkeeping.

(a) ~~Except as provided in (b) below,~~ The WEB source shall keep copies of all reports, registration materials, compliance certifications, sulfur dioxide emissions data, quality assurance data, and other submissions under this Rule for a period of five years. In addition, the WEB source shall keep a copy of all certificates for the duration of the WEB Trading Program. Unless otherwise requested by the WEB source and approved by the executive secretary, the copies shall be kept on site.

(b) The WEB source shall keep records of all operating hours, quality assurance activities, fuel sampling measurements, hourly averages for sulfur dioxide, stack flow, fuel flow, or other continuous measurements, as applicable, and any other applicable data elements specified in this section or in Appendix E of State Implementation Plan Section XX. The WEB source shall maintain the applicable records specified in 40 CFR Part 75 for any sulfur dioxide emitting unit that uses a Part 75 monitoring method to meet the requirements of this Section.

(8) Reporting.

(a) Quarterly Reports. For each sulfur dioxide emitting unit, the account representative shall submit a quarterly report within thirty days after the end of each calendar quarter. The report shall be in a format specified by the executive secretary, including hourly and quality assurance activity information, and shall be submitted in a manner compatible with the emissions tracking database designed for the WEB Trading Program. If the WEB source submits a quarterly report under 40 CFR Part 75 to the U.S. EPA Administrator, no additional report under this paragraph (a) shall be required. The executive secretary may require that a copy of that report or a separate statement of quarterly and cumulative annual sulfur dioxide mass emissions be submitted separately.

(b) Annual Report. Based on the quarterly reports, each WEB source shall submit an annual statement of total annual sulfur dioxide emissions for all sulfur dioxide emitting units at the source. The annual report shall identify total emissions for all units monitored in accordance with (1)(a) above and the total emissions for all units with



emissions estimated in accordance with (1)(b) above. The annual report shall be submitted within 60 days after the end of a control period.

(c) If directed by the executive secretary, monitoring plans, reports, certifications or recertifications, or emissions data required to be submitted under this section also shall be submitted to the TSA.

(d) If the executive secretary rejects any report submitted under this subsection that contains errors or fails to satisfy the requirements of this section, the account representative shall resubmit the report to correct any deficiencies.

(9) Petitions. A WEB source may petition for an alternative to any requirement specified in (1)(a)(ii) above. The petition shall require approval of the executive secretary and the Administrator. Any petition submitted under this paragraph shall include sufficient information for the evaluation of the petition, including, at a minimum, the following information:

(a) identification of the WEB source and applicable sulfur dioxide emitting unit(s);

(b) a detailed explanation of why the proposed alternative is being suggested in lieu of the requirement;

(c) a description and diagram of any equipment and procedures used in the proposed alternative, if applicable; and

(d) a demonstration that the proposed alternative is consistent with the purposes of the requirement for which the alternative is proposed, is consistent with the purposes of R307-250, and that any adverse effect of approving such alternative will be de minimis; and

(e) any other relevant information that the executive secretary may require.

(10) For any monitoring plans, reports, or other information submitted under this Rule, the account representative shall ensure that, where applicable, identifying information is consistent with the identifying information provided in the most recent certificate for the WEB source submitted under R307-250-5.

#### **R307-250-12. Compliance.**

(1) Compliance with Allowance Limitations.

(a) The WEB source must hold allowances, in accordance with (b) and (c) below and R307-250-11, as of the allowance transfer deadline in the WEB source's compliance account, ~~[except as provided in (d) below for units monitored according to]~~ together with any current control year allowances held in the WEB source's special reserve compliance account under R307-250-9(1)(b), in an amount not less than the total sulfur dioxide emissions for the control period from the WEB source, as determined under the monitoring and reporting requirements of R307-250-9.

(i) For each source that is a WEB source on or before the program trigger date, the first control period is the calendar year that is six years following the calendar year for which sulfur dioxide emissions exceeded the milestone as determined in accordance with SIP Section XX.E.1.

(ii) For any existing source that becomes a WEB source after the program trigger date, the first control period is the calendar year that is four years following the inventory year in which the source became a WEB source.

(iii) For any new WEB source after the program trigger date, the first control period is the first full calendar year that the source is in operation.

(iv) If the WEB Trading Program is triggered in accordance with the 2013 review procedures in SIP Section XX.E.1.d, the first control period for each source that is a WEB source on or before the program trigger date is the year 2018.

(b) Allowance transfer deadline. An allowance may only be deducted from the WEB source's compliance account if:

(i) the allowance was allocated for the current control period or meets the requirements in R307-250-11 for use of allowances from a previous control period, and

(ii) the allowance was held in the WEB source's compliance account as of the allowance transfer deadline for the current control period, or was transferred into the compliance account by an allowance transfer correctly submitted for recording by the allowance transfer deadline for the current control period.

(c) Compliance with allowance limitations shall be determined as follows.~~[by comparing the following numbers:]~~

(i) The total annual sulfur dioxide emissions for all sulfur dioxide emitting units at the source that are monitored under R307-250-9(1)(b), as [the monitored sulfur dioxide emissions data] reported by the source to the executive secretary, in accordance with R307-250-9, and recorded in the emissions tracking database shall be compared to the allowances held in the source's special reserve compliance account as of the allowance transfer deadline for the current control period, adjusted in accordance with R307-250-11. If the emissions are equal to or less than the allowances in such account, all such allowances shall be retired to satisfy the obligation to hold allowances for such emissions. If the total emissions from such units exceed the allowances in such special reserve compliance account, the WEB source shall account for such excess emissions in the following paragraph (ii).

(ii) The total annual sulfur dioxide emissions for all sulfur dioxide emitting units at the source that are monitored under R307-250-9(1)(a), as reported by the source to the executive secretary in accordance with R307-250-9 and recorded in the emissions tracking database, together with any excess emissions as calculated in the preceding paragraph (i), shall be compared to the allowances held in the source's compliance account as of the allowance transfer deadline for the current control period, adjusted in accordance with R307-250-11.

(iii) If the comparison in paragraph (ii) above results in emissions that exceed the allowances held in the source's compliance account, the source has exceeded its allowance limitation and the excess emissions are subject to the allowance deduction penalty in R307-250-12(3)(a).

(d) Other than allowances in a special reserve compliance account for units monitored under R307-250-9(1)(b), to [and

~~(ii) the allowance allocations and transfers recorded in the allowance tracking system, either in a compliance account or a special reserve account, adjusted in accordance with R307-250-11(e).~~

~~(d) Deduction of Allowances.~~

~~(i) WEB Sources Monitoring According to R307-250-9(1)(a). To [the extent consistent with R307-250-11, allowances shall be deducted for a WEB source for compliance with the allowance limitation as directed by the WEB source's account representative. Deduction of any other allowances as necessary for compliance with the allowance limitation shall be on a first-in, first-out accounting basis in the order of the date and time of their recording in the WEB source's compliance account, beginning with the allowances allocated to the WEB source and continuing with the allowances transferred to the WEB source's compliance account from another compliance account or general account. The allowances held in a special reserve compliance account pursuant to R307-250-9(1)(b) shall be deducted as specified in paragraph (c)(i) above.]~~

~~(ii) WEB Sources Monitoring According to R307-250-9(1)(b). The total emissions recorded in the emissions tracking database shall be compared to the allowances held in the source's special reserve compliance account as of the allowance transfer deadline of the current~~

control period. If the emissions are less than or equal to the number of allowances, the allowances shall be retired.]

(2) Certification of Compliance.

(a) For each control period in which a WEB source is subject to the allowance limitation, the account representative of the source shall submit to the executive secretary a compliance certification report for the source.

(b) The compliance certification report shall be submitted no later than the allowance transfer deadline of each control period, and shall contain the following:

(i) identification of each WEB source;

(ii) at the account representative's option, the serial numbers of the allowances that are to be deducted from a source's compliance account or special reserve compliance account for compliance with the allowance limitation; and

(iii) the compliance certification report according to (c) below.

(c) In the compliance certification report, the account representative shall certify, based on reasonable inquiry of those persons with primary responsibility for operating the WEB source in compliance with the WEB Trading Program, whether the WEB source for which the compliance certification is submitted was operated in compliance with the requirements of the WEB Trading Program applicable to the source during the control period covered by the report, including:

(i) whether the WEB source operated in compliance with the sulfur dioxide allowance limitation;

(ii) whether sulfur dioxide emissions data was submitted to the executive secretary in accordance with R307-250-9(8) and other applicable requirements for review, revision as necessary, and finalization;

(iii) whether the monitoring plan for the WEB source has been maintained to reflect the actual operation and monitoring of the source, and contains all information necessary to attribute sulfur dioxide emissions to the source, in accordance with R307-250-9(2)(+);

(iv) whether all the sulfur dioxide emissions from the WEB source if applicable, were monitored or accounted for either through the applicable monitoring or through application of the appropriate missing data procedures;

(v) if applicable, whether any sulfur dioxide emitting unit for which the WEB source is not required to monitor in accordance with R307-250-9(1)(a)(iii) of this rule remained permanently retired and had no emissions for the entire applicable period; and

(vi) whether there were any changes in the method of operating or monitoring the WEB source that required monitor recertification. If there were any such changes, the report must specify the nature, reason, and date of the change, the method to determine compliance status subsequent to the change, and specifically, the method to determine sulfur dioxide emissions.

(3) Penalties for Any WEB Source Exceeding Its Allowance Limitations.

(a) Allowance Deduction Penalty[ies].

(i) An allowance deduction penalty will be assessed equal to ~~two~~three times the number of the WEB source's tons of sulfur dioxide emissions in excess of its allowance limitation for a control period, determined in accordance with R307-250-12(1). Allowances allocated for the following control period in the amount of the allowance deduction penalty will be deducted from the source's compliance account. If the compliance account does not have sufficient allowances allocated for that control period, the required number of allowances will be deducted from the WEB source's compliance account regardless of

the control period for which they were allocated, once allowances are recorded in the account.

(ii) Any allowance deduction required under R307-250-12(1)(c) shall not affect the liability of the owners and operators of the WEB source for any fine, penalty or assessment or their obligation to comply with any other remedy, for the same violation, as ordered under the Clean Air Act, implementing regulations or Utah Code 19-2. Accordingly, a violation can be assessed each day of the control period for each ton of sulfur dioxide emissions in excess of its allowance limitation, or for each other violation of R307-250.[

~~(b) Financial penalties. The penalty sought for emissions of sulfur dioxide by a source in excess of its emission limitation for a control period shall be \$5,000 per ton.]~~

(4) Liability.

(a) WEB Source liability for non-compliance. Separate and regardless of any allowance deduction penalty~~[-or financial penalty]~~, a WEB source that violates any requirement of this Rule is subject to civil and criminal penalties under Utah Code 19-2. Each day of the control period is a separate violation, and each ton of sulfur dioxide emissions in excess of a source's allowance limitation is a separate violation.

(b) General Liability.

(i) Any provision of the WEB Trading Program that applies to a source or an account representative shall apply also to the owners and operators of such source.

(ii) Any person who violates any requirement or prohibition of the WEB Trading Program will be subject to enforcement pursuant to Utah Code 19-2.

(iii) Any person who knowingly makes a false material statement in any record, submission, or report under this WEB Trading Program shall be subject to criminal enforcement pursuant to the Utah Code.

**R307-250-13. Special Penalty Provisions for the 2018 Milestone.**

(1) If the WEB Trading Program is triggered as outlined in SIP Section XX.E.1, and the first control period will not occur until after the year 2018, the following provisions shall apply for the 2018 emissions year.

(a) All WEB sources shall register, and shall open a compliance account within 180 days after the program trigger date, in accordance with R307-250-6(1) and R307-250-8.

(b) The TSA will record the allowances for the 2018 control period for each WEB source in the source's compliance account once the executive secretary allocates the 2018 allowances under SIP Section XX.E.3.a and XX.E.4.

(c) ~~The allowance transfer deadline is midnight Pacific Standard Time on May 31[0], 2021 (or if this date is not a business day, midnight of the first business day thereafter).~~ WEB sources may transfer allowances as provided in R307-250-10(1) until the allowance transfer deadline.

(d) A WEB source must hold allowances allocated for 2018, including those transferred into the compliance account or a special reserve account by an allowance transfer correctly submitted by the allowance transfer deadline, in an amount not less than the WEB source's total sulfur dioxide emissions for 2018. Emissions will be determined using the pre-trigger monitoring provisions in SIP Section XX.E.2, and R307-150

(e) In accordance with R307-250-11(4) and (d) above, the executive secretary will seek a minimum[An allowance deduction penalty and] financial penalty of \$5,000 per ton of sulfur dioxide emissions in excess of the WEB source's allowance limitation. [shall

be assessed and levied in accordance with R307-250-11(4), R307-250-12(1)(d) and R307-250-12(3), except that sulfur dioxide emissions shall be determined under R307-250-13(1)(d).]

(i) Any source may resolve its excess emissions violation by agreeing to a streamline settlement approach where the source pays a penalty of \$5,000 per ton or partial ton of excess emissions, and payment is received within 90 calendar days after the issuance of a notice of violation.

(ii) Any source that does not resolve its excess emissions violation in accordance with the streamlined settlement approach in (i) above will be subject to enforcement action in which the executive secretary will seek a financial penalty for the excess emissions based on the statutory maximum civil penalties.

(f) Each ton of sulfur dioxide emissions in excess of a source's allowance limitation is a separate violation and each day of a control period is a separate violation.

(2) The provisions in R307-250-13 shall continue to apply for each year after the 2018 emission year until:

(a) the first control period under the WEB trading program; or

(b) the executive secretary determines, in accordance with SIP Section XX.E.1.c(10), that the 2018 sulfur dioxide milestone has been met.

(3) If the special penalty provisions continue after the year 2018 as outlined in (2) above, the deadlines listed in (1)(b)(a) through (e)(d) above will be adjusted as follows:

(i) for the 2019 control period the dates will be adjusted forward by one year, except that the allowance transfer deadline shall be midnight Pacific Standard Time on May 31, 2021 (or if this date is not a business day, midnight of the first business day thereafter); and

(ii) for each [additional year] control period after 2018 that the special penalty provisions are assessed, the dates in (i) above for the 2019 control period will be adjusted forward by one year.

(4) The TSA will record the same number of allowances for each WEB source as were recorded for the 2018 control period for each subsequent control period.

**KEY:** air pollution, sulfur dioxide, market trading program

Date of Enactment or Last Substantive Amendment: [December 31, 2003] 2008

Notice of Continuation: February 8, 2008

Authorizing, and Implemented or Interpreted Law: 19-2-104(1)(a); 19-2-104(3)(e)

## Environmental Quality, Water Quality R317-8 Utah Pollutant Discharge Elimination System (UPDES)

### NOTICE OF PROPOSED RULE

(Amendment)

DAR FILE NO. 31584

FILED: 06/16/2008, 16:11

### RULE ANALYSIS

PURPOSE OF THE RULE OR REASON FOR THE CHANGE: The Utah Pollutant Discharge Elimination System (UPDES) program is a federal-based program delegated to the state by EPA under

the federal Clean Water Act. The proposed changes incorporate changes to implementing regulations at 40 CFR 403 completed in October of 2005 and July of 1997.

**SUMMARY OF THE RULE OR CHANGE:** The required changes for approved pretreatment programs are slug flow control plan, clarifying grab/composite samples, requirement for noncategorical Significant Industrial Users (SIUs) to report all monitoring data and significant noncompliance (SNC) determination giving the programs a broader array of numeric or narrative violations. The optional changes include SNC publication, SNC application to Industrial Users (IUs), SNC late reports, pollutants not present, general control mechanism, best management plans (BMPs) as local limits, removal credits regarding combined sewer overflows, equivalent concentration limits, nonsignificant Categorical Industrial User (CIU), and middle tier CIU. Minor changes include: net/gross calculations, wording to the technical review criteria, signatory requirements, notification by IUs of changed discharge, formatting, rule references, and grammatical corrections.

**STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS RULE:** Section 19-5-105 and 40 CFR 403

**THIS RULE OR CHANGE INCORPORATES BY REFERENCE THE FOLLOWING MATERIAL:** Updates 40 CFR 403.6, 40 CFR 403.7, and 40 CFR 403.13 to May 16, 2008, version

### ANTICIPATED COST OR SAVINGS TO:

❖ **THE STATE BUDGET:** The changes are of a technical nature and will not result in any significant costs or savings to the state budget. Proposed changes will be implemented with current resources.

❖ **LOCAL GOVERNMENTS:** The proposed changes address technical and programmatic aspects of approved pretreatment programs at publicly owned treatment works (POTW). Pretreatment program staff at these facilities will be required to make sure that all required changes are incorporated into their programs and if optional changes are adopted, that appropriate language is used. The Division of Water Quality (DWQ) anticipates that the changes will not be significant and can be addressed with existing staff. No costs or savings to local government are anticipated.

❖ **SMALL BUSINESSES AND PERSONS OTHER THAN BUSINESSES:** Businesses which discharge to a POTW with an approved pretreatment program could realize a saving in oversight, sampling and inspection costs if the POTW chooses to implement the optional aspects of the proposed rule changes. The level of savings is unknown as DWQ cannot anticipate how many pretreatment programs will implement the optional components of the change.

**COMPLIANCE COSTS FOR AFFECTED PERSONS:** The proposed changes address technical and programmatic aspects of approved pretreatment programs at publicly owned treatment works (POTW). Pretreatment program staff at these facilities will be required to make sure that all required changes are incorporated into their programs and if optional changes are adopted, that appropriate language is used. DWQ anticipates that the changes will not be significant and can be addressed